

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, in line with 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 of the *Code de Commerce*, 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 in respect of the same financial year to each executive officer.

The Shareholders' Meeting of June 5, 2024 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 2023");
- the fixed and variable elements composing the total compensation and benefits of any kind paid during the 2023 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 2023 financial year to the executive officers and submitted for approval by the Shareholders' Meeting of June 5, 2024"); and

- the compensation policy for the company officers in respect of 2024, i.e. the Board 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 2024").

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 June 5, 2024 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 2024 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 June 5, 2024.

In addition, the elements of variable or extraordinary compensation granted to the Chief Executive Officer in respect of the 2024 financial year will only be able to be paid after approval, by the Shareholders' Meeting of June 5, 2024, 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*.

Note that the repayment of 75% of the State Aid took place on March 17, 2023. As a result, the restrictions in respect 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 concerning the elements of compensation for the Chair of the Board of Directors, the Chief Executive Officer and the members of the Air France-KLM Board of Directors no longer apply. In particular, since March 17, 2023, the variable compensation granted and acquired by the Chief Executive Officer of Air France-KLM may again be paid.

2.5.2 Compensation of the Company officers in 2023

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 2023 financial year or granted in respect of this financial year to the different company officers of Air France-KLM, to be submitted to the shareholders' vote at the Shareholders' Meeting of June 5, 2024, pursuant to Article L. 22-10-4 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 2023 financial year and submitted for approval by the Shareholders' Meeting of June 5, 2024

The elements of compensation paid during the 2023 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 June 7, 2023. These elements of compensation, which will be submitted to the shareholders' vote at the Shareholders' Meeting of June 5, 2024 pursuant to Article L. 22-10-34 of the *Code de Commerce*, are detailed hereinafter.

	Attendance record at Board and Committee meetings and at the Shareholders' Meeting (2023 financial year)	Remuneration in respect of the 2023 financial year (in €)	Remuneration in respect of the 2022 financial year (in €) ⁽¹⁾
MEMBERS OF THE BOARD OF DIRECTORS IN FUNCTION AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT			
Anne-Marie Couderc ⁽²⁾	100%	N/A	N/A
Benjamin Smith ⁽³⁾	100%	N/A	N/A
Gwenaëlle Avice-Huet	95%	54,758	53,438
Leni M.T. Boeren	100%	60,000	60,000
Pascal Bouchiat	87%	41,977	7,500
Isabelle Bouillot	96%	56,500	53,875
Didier Dague ⁽⁴⁾⁽⁵⁾	100%	35,227	N/A
Michel Delli-Zotti ⁽⁴⁾	100%	48,000	17,667
Delta Air Lines, Inc. (represented by Mr. Alain Bellemare)	88%	51,000	51,571
Nicola Foretz ⁽⁴⁾⁽⁶⁾	100%	14,909	N/A
Céline Fornaro ⁽⁷⁾	100%	9,717	N/A
Anne-Marie Idrac	80%	40,682	47,500
Yann Leriche ⁽⁸⁾	80%	15,909	N/A
Cees 't Hart	55%	35,636	39,188
Terence Tilgenkamp ⁽⁹⁾	100%	52,000	49,500
Dirk Jan van den Berg	100%	52,000	50,438
Jian Wang	80%	46,705	43,438
Alexander R. Wynaendts	96%	57,227	54,813
FORMER MEMBERS OF THE BOARD OF DIRECTORS DURING THE 2022 AND 2023 FINANCIAL YEARS NO LONGER ACTING IN THE CAPACITY OF BOARD DIRECTOR AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT			
Paul Farges ⁽⁴⁾⁽¹⁰⁾	N/A	N/A	27,438
Astrid Panosyan ⁽¹¹⁾	N/A	N/A	20,938
Martin Vial ⁽¹²⁾	N/A	N/A	29,000
Isabelle Parize ⁽¹³⁾	91%	33,152	60,000
May Giquel ⁽¹⁴⁾	93%	32,763	N/A
Karim Belabbas ⁽⁴⁾⁽¹⁵⁾	100%	4,886	44,250
François Robardet ⁽⁴⁾⁽¹⁶⁾	100%	35,591	53,000
Rodolphe Saadé ⁽¹⁷⁾	50%	5,000	10,000
Jean-Dominique Comolli ⁽¹⁸⁾	100%	27,096	50,000
Stéphanie Besnier ⁽¹⁹⁾	100%	4,970	12,771
Mr. Ramon Fernandez ⁽²⁰⁾	100%	32,727	N/A
TOTAL	92%	848,432	836,321

(1) On February 16, 2022, in view of the context of crisis linked to the Covid-19 pandemic, the Air France-KLM Board directors decided to reduce by 25% their compensation paid in respect of the 2022 financial year, as had been the case for the 2021 financial year, until such time as the Group's current operating income had returned to a positive figure.

(2) Mrs Anne-Marie Couderc, Chair of Air France-KLM's Board of Directors, receives no compensation in respect of her Board director duties.

(3) Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, receives no compensation in respect of his Board director duties.

(4) 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. Their compensation in respect of their Board director functions is also paid to their unions, with the exception of Mr. François Robardet whose compensation has been remitted to his personal account since May 22, 2022.

(5) Board director since April 7, 2023.

(6) Board director since July 27, 2023.

(7) Board director since October 9, 2023.

(8) Board director since June 7, 2023.

(9) Mr. Terence Tilgenkamp receives compensation in respect of his employment contract with KLM, unrelated to his corporate mandate within Air France-KLM.

(10) Board director until May 24, 2022.

(11) Board director until June 21, 2022.

(12) Board director until June 1, 2022.

(13) Board director until June 30, 2023.

(14) Board director until October 9, 2023.

(15) Board director until March 11, 2023.

(16) Board director until July 27, 2023.

(17) Board director until April 19, 2023.

(18) Board director until June 7, 2023.

(19) Board director until March 15, 2023.

(20) Board director since April 19, 2023. As indicated in the press release of January 16, 2024, CMA CGM ceased to have a representative on the Company's Board of Directors as of March 31, 2024 in respect of the Subscription Agreement as amended by the Amendment to the Subscription Agreement signed on January 15, 2024.

In respect of the 2023 financial year, the Board directors were granted and paid during this financial year, total compensation of €848,432 (within the framework of the €950,000 annual budget voted by the Shareholders' Meeting of May 15, 2018).

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 2023 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 2023 financial year to the executive officers and submitted for approval by the Shareholders' Meeting of June 5, 2024

a) Compensation of the Chair of the Board of Directors, for the period from January 1 to December 31, 2023

Presentation of the 2023 compensation structure for the Chair of the Board of Directors

Pursuant to the Board of Directors' resolution of February 16, 2023, the fixed compensation of the Chair of the Board of Directors is €200,000. By way of reminder, the amount of this annual fixed compensation for the Chair of the Board of Directors had been increased by the Board of Directors on February 19, 2022 to €220,000 but the Chair of the Board of Directors waived this increase in respect of the 2020 and 2021 financial years, and it was not applied in respect of the 2022 financial year 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 which provided that the compensation of the Chair of the Board of Directors could not exceed the fixed portion of her compensation at December 31, 2019.

For the 2023 financial year, the Board of Directors decided, as requested by the Chair, to maintain her level of compensation at €200,000, without applying the increase decided by the Board of Directors on February 19, 2020. This annual fixed compensation has thus remained unchanged since 2019.

This compensation includes neither compensation in respect of her Board director mandate (formerly directors' fees) nor variable compensation.

The 2023 compensation policy for the Chair of the Board of Directors was approved by the Shareholders' Meeting of June, 7, 2023.

For more details on the compensation policy for the Chair of the Board of Directors in respect of the 2023 financial year, see section 2.5.3.2 of the 2022 Universal Registration Document.

Elements of compensation paid during or granted in respect of the 2023 financial year

The elements of compensation paid during the 2023 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, 2023, comply with the compensation policy set by the Board of Directors following consultation with the Remuneration Committee, and approved by the Shareholders' Meeting of June 7, 2023. These elements of compensation are detailed as follows:

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 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 2023 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2023, without applying the increase decided by the Board of Directors on February 19, 2020, as requested by the Chair. This annual fixed compensation has thus remained unchanged since 2019.
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 2023 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, 2023***Presentation of the 2023 compensation structure for the 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. It stipulates that the compensation of the Chief Executive Officer shall be composed of the following three elements:

- 1) a fixed amount of annual compensation;
- 2) an annual variable amount of compensation linked 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.

This compensation structure has remained unchanged since 2018 as regards both the amount of fixed compensation and the amounts of annual and long-term compensation at targets achieved and the maximum amounts in the event that these targets are exceeded. Within the framework of this policy, the Chief Executive Officer receives benefits in kind whose scope has remained unchanged since 2018.

The compensation policy for the Chief Executive Officer in respect of the 2023 financial year was set pursuant to the framework for the policy set in 2018 and was approved by the Shareholders' Meeting of June 7, 2023. Note that 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 provided that no variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. As a result, no variable compensation was paid to Mr. Benjamin Smith between April 2021 and March 2023. The repayment of 75% of the State Aid took place on March 17, 2023.

For more details on the compensation policy for the Chief Executive Officer in respect of the 2023 financial year, see section 2.5.3.2 of the 2023 Universal Registration Document.

A summary of the elements of compensation for the Chief Executive Officer since 2018 is presented in section 2.5.2.6 of the 2022 Universal Registration Document.

Elements of compensation paid during or granted in respect of the 2023 financial year

The elements of compensation paid during the 2023 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, 2023 as recommended by the Remuneration Committee. In particular, 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, during its meeting of February 16, 2023 the Board stipulated that variable compensation would be granted to the Chief Executive Officer of Air France-KLM in respect of the 2023 financial year subject to the repayment of 75% of the recapitalization measures. Since the repayment of 75% of the State Aid took place on March 17, 2023, the restrictions in respect of the European Commission's decision of April 5, 2021 on case No.SA.59913 are no longer applicable and the condition precedent of the repayment of 75% of the State Aid foreseen for the granting of the variable compensation to the Chief Executive Officer in respect of the 2023 financial year has been satisfied. As a result, the elements of compensation granted in respect of the preceding financial years were able to be paid during the 2023 financial year, namely the 2021 and 2022 annual variable compensation and the 2020-22 Specific Long-Term Incentive Plan.

All of these elements of compensation, for the period from January 1 until December 31, 2023, are in line with the compensation policy set by the Board of Directors following consultation with the Remuneration Committee and approved by the Shareholders' Meeting of June 7, 2023. These elements of compensation are detailed hereinafter:

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 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 16, 2023.</p> <p>This fixed compensation has been unchanged since 2019.</p> <p>As a result, the fixed compensation granted to the Chief Executive Officer in respect of the 2023 financial year and paid during the 2023 financial year was €900,000.</p> <p>The ratio between the fixed and variable compensation granted to Mr. Benjamin Smith in respect of the 2023 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 331.76%.</p>
Annual variable compensation	€1,059,769 in respect of 2022 (€1,089,984 deferred payment in respect of 2021 following repayment of the State Aid on March 17, 2023)	€985,880	<p>In respect of the 2023 financial year</p> <p>During its meeting of February 28, 2024, the Board of Directors decided, as proposed by the Remuneration Committee, to grant to the Chief Executive Officer in respect of the 2023 financial year, in accordance with the 2023 compensation policy set by the Board of Directors on February 16, 2023 and approved by the Shareholders' Meeting of June 7, 2023, annual variable compensation which, by way of reminder, 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>As proposed by the Remuneration Committee, the amount of the Chief Executive Officer's annual variable compensation was set at 109.5% of the annual fixed compensation, i.e. €985,880 by the Board of Directors during its meeting of February 28, 2024. This amount is composed of:</p> <ul style="list-style-type: none"> ■ quantitative criteria linked to the Group's financial targets: achievement rate 82% of the target (i.e. 59.8% of his annual gross fixed compensation): <ul style="list-style-type: none"> • 29.8% (on a target at 24.4% and a maximum at 30%) of the fixed compensation in respect of the current operating income (COI) of Air France-KLM in absolute value (Absolute COI), i.e. an achievement rate of 99.4%. This percentage takes into account the level of COI reached by the Group at December 31, 2023 relative to the COI as figuring in the 2023 budget, • 0% (on a target at 24.4% and a maximum at 30%) of the fixed compensation in respect of Air France-KLM's unit costs, i.e. an achievement rate of 0%. This level of achievement, which is below the target in the budget, is linked to the high level of inflation in 2023 and operational constraints, • 30% (on a target at 24.4% and a maximum at 30%) of the fixed compensation in respect of the reinforcement of the IFRS equity of Air France-KLM, i.e. an achievement rate of 100%;

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 financial year	Presentation
			<ul style="list-style-type: none"> ■ qualitative criteria linked to the Group's non-financial targets: achievement rate 102% of the target (i.e. 49.7% of his annual gross fixed compensation): <ul style="list-style-type: none"> • 15% (on a target at 12.2% and a maximum at 15.0%) of the fixed compensation in respect of the actions realized and the results obtained on Societal and Environmental Responsibility, 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 2022 Universal Registration Document. <p>In its evaluation, the Board of Directors took into account notably the introduction of sustainable aviation fuels for the flights on departure from France and The Netherlands (above the regulatory mandates in France), the fact that Air France-KLM Group was the leading global purchaser in 2023 having procured 17% of world-wide production, the securing of a portion of the SAF requirement for the coming years, and the renewal of the fleet and its impact on reducing CO₂ emissions and noise hindrance;</p> ■ 13.6% (on a target at 12.2% and a maximum at 15.0%) of the fixed compensation in respect of the actions realized and the results obtained in terms of human capital, i.e. an achievement rate of 90.7%. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2022 Universal Registration Document. <p>In its evaluation, the Board of Directors took into account the acceleration of the action plan on engagement, diversity and inclusion.</p> <ul style="list-style-type: none"> ■ 6.1% (on a target at 12.2% and a maximum at 15.0%) 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 40.7%. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2022 Universal Registration Document. <p>In its evaluation, the Board of Directors took into account the results of the Net Promoter Score and the punctuality of Air France and KLM flights.</p> <ul style="list-style-type: none"> ■ 15% (on a target at 12.2% and a maximum of 15.0%) of the fixed compensation in respect of the individual and leadership performance, 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 2022 Universal Registration Document. <p>In its evaluation, the Board of Directors took into account the fluidity and effectiveness of relations within the Group and its subsidiaries, the ongoing social stability and the actions realized to federate his management team around strategic and ground-breaking projects for the Air France-KLM Group.</p>

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 financial year	Presentation
			<p>In application of Article L. 22-10-34 of the <i>Code de Commerce</i>, the payment of the amount of €985,880 is subject to prior approval by the Shareholders' Meeting of June 5, 2024.</p> <p>In the event of a positive vote by shareholders during the Shareholders' Meeting of June 5, 2024, authorizing the payment of the variable compensation to Mr. Benjamin Smith, the Company will not be able to request its return.</p> <p>In respect of the 2022 financial year</p> <p>Note that the amount of annual variable compensation for the Chief Executive Officer in respect of the 2022 financial year was set at 117.8% of his annual fixed compensation, i.e. i.e. €1,059,769, by the Board of Directors during its meeting of February 16, 2023. This amount was approved by the Shareholders' Meeting of June 7, 2023 and was paid to the Chief Executive Officer during the 2023 financial year (for more detail see section 2.5.2.2 of the 2022 Universal Registration Document).</p> <p>In respect of the 2021 financial year</p> <p>Note that the amount of annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year was set at 121.1% of his annual fixed compensation, i.e. €1,089,984, by the Board of Directors during its meeting of February 16, 2022. This amount was approved by the Shareholders' Meeting of May 24, 2022 and could not be paid to the Chief Executive officer until such time as at least 75% of the recapitalization measures had been repaid (for more detail see section 2.5.2.2 of the 2021 Universal Registration Document). Since the repayment of 75% of the State Aid took place on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year was paid to the Chief Executive Officer during the 2023 financial year.</p>

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 financial year	Presentation
Long-term variable compensation	€434,216 2020-22 Specific LTI units, converted into shares at a share price of €1.67 based on an initial valuation of €1,000,000. (value on conversion into shares of €725,141)	1,178,550 performance units payable in shares, valued at €2,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2023.	<p>In respect of the 2023 financial year</p> <p>The Board of Directors decided, as proposed by the Remuneration Committee, to grant to the Chief Executive Officer in respect of the 2023 financial year, pursuant to the 2023 compensation policy set by the Board of Directors on March 16, 2023 and approved by the Shareholders' Meeting of June 7, 2023, long-term variable compensation composed of 1,178,550 performance units payable in Air France-KLM shares at the share price on April 1, 2023 i.e. €1.697 (one performance unit conferring entitlement to one share) in 2026 subject to the realization of financial and extra-financial performance conditions and a presence condition over three years.</p> <p>In accordance with the terms and conditions of the regulations governing the long-term incentive plans, and in application of the Chief Executive Officer's decision of August 31, 2023 to proceed with a reverse split in Air France-KLM shares, the 2018-20/2019-21/ 2020-22/2021-23 "Phantom Shares" Long-Term Incentive Plans, the 2019-21/2021-23 Specific Long-Term Incentive Plans and the 2022-24 and 2023-25 "Performance Shares" Long-Term Plans were adjusted to take into account the reverse share split in the shares composing the share capital on the basis of 10 old shares for one new share, effective since August 31, 2023, by dividing by 10 the number of shares to which the aforementioned plans confer entitlement.</p> <p>It is also 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 this long-term incentive plan are detailed in section 2.5.3.2 c) of the 2022 Universal Registration Document.</p> <p>In respect of the 2022 financial year</p> <p>Since the repayment of 75% of the State Aid took place on March 17, 2023, the 2020-22 Specific Long-Term Incentive Plan was exercised in favor of the Chief Executive Officer during the 2023 financial year.</p>

Elements of compensation submitted to the vote	Amounts paid during the 2023 financial year	Amounts granted in respect of the 2023 financial year	Presentation
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 2023 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	€284,074	€284,074	The Chief Executive Officer benefits from a chauffeur-driven company car and a supplementary health and disability scheme. Given his relocation to France, he also benefits from an accommodation allowance, free airline tickets, school fees and advisory fees.
Severance payment	N/A	N/A	<p>Pursuant to the 2023 compensation policy approved by the Shareholders' Meeting of June 7, 2023, the Chief Executive Officer continues to benefit from a severance payment granted to him by the Board of Directors during 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 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 two years). 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 the preceding financial years

Note that, in respect of the 2018 financial year, as recommended by the Remuneration Committee, the Board of Directors granted the Chief Executive Officer performance units within the framework of a Long-Term Incentive Plan ("Phantom Shares") payable in cash, and that in respect of the 2019, 2020 and 2021 financial years, as recommended by the Remuneration Committee, the Board of Directors granted the Chief Executive Officer performance units within the framework of two long-term plans: a Long-Term Incentive Plan ("Phantom Shares") payable in cash and a Specific Long-Term Incentive Plan payable in shares. In respect of the 2022 and 2023 financial years, performance units were granted to the Chief Executive Officer within the framework of a Specific Long-Term Incentive Plan, payable in shares.

It is stipulated that, during its meeting of October 27, 2022, the Board of Directors decided, as proposed by the Remuneration Committee, to adjust these long-term compensation plans (all the plans granted but not yet exercised on the date of the decision) following the capital increase with maintained preferential subscription rights for shareholders realized on June 16, 2022 and, as a result, to multiply by 2.5 the number of performance units granted in respect of these plans.

In accordance with the terms and conditions of the regulations governing long-term incentive plans and in application of the Chief Executive Officer's decision of August 31, 2023 to proceed with a reverse split in Air France-KLM's shares, the 2018-20/2019-21/2020-22/2021-23 "Phantom Shares" Long-Term Incentive Plans, the 2019-21/2021-23 Specific Long-Term Incentive Plans and the 2022-24 and 2023-25 Performance Shares Long-Term Incentive Plans were adjusted to take into account the reverse share split in the shares composing the share capital on the basis of 10 old shares for one new share, effective since August 31, 2023, by dividing by 10 the number of shares to which the aforementioned plans confer entitlement (NB: the 2020-22 Specific Long-Term Incentive Plan having been converted into shares in June 2023 prior to the reverse share split is not concerned by this decision).

For more detail on the elements of long-term variable compensation in respect of the preceding financial years, see section 2.5.2.2 of the 2022 Universal Registration Document.

It is also stipulated that:

- **concerning the Long-Term Incentive Plan ("phantom shares")**, in respect of the 2021-23 period, 119,313 performance units were granted to the Chief Executive Officer valued at €1,000,000, payable in cash in 2024 subject to the realization of the 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.

It is stipulated that, in application of the Board of Directors' resolution of October 27, 2022, the number of performance units granted in 2021 was multiplied by 2.5. In application of the Chief Executive Officer's decision of August 31, 2023 to proceed with a reverse split in Air France-KLM shares, the number of performance units granted in 2021 was subsequently divided by 10. As a result, the number of performance

units acquired in respect of the 2021 financial year is: 48,828.

During its meeting of February 28, 2024, the Board of Directors decided, as proposed by the Remuneration Committee, to set the level of achievement of the performance conditions of the plan at an overall 52.8%, this overall figure including the achievement at:

- 116.67% of the condition linked to the Net debt/ EBITDA ratio (35%) compared with the budget at the end of a three-year period (2023),
- 33% of the condition linked to the EBITDA relative to the EBITDA of companies in the sector, and
- 0% of the condition linked to the Dow Jones Sustainability Index for airlines.

As a result, as proposed by the Remuneration Committee, during its meeting on February 28, 2024 the Board of Directors set the number of performance units acquired by the Chief Executive Officer in respect of this plan for the 2021 financial year at 25,795 units.

Pursuant to Article L. 22-10-34 of the *Code de Commerce*, the payment of these 25,795 performance units is subject to the prior approval of the Shareholders' Meeting.

It is specified that, in 2024, the Chief Executive Officer will be able to exercise his right to payment of these performance units within a maximum period 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.

- **concerning the Specific Long-Term Incentive Plan:** in respect of the 2021-23 period: 195,313 performance units were granted to the Chief Executive Officer valued at €1,000,000, payable in shares in 2024 subject to the attainment of the performance conditions and a three-year presence condition.

It is stipulated that, in application of the Board of Directors' resolution of October 27, 2022, the number of performance units granted in 2021 was multiplied by 2.5. In application of the Chief Executive Officer's decision of August 31, 2023 to proceed with a reverse split in Air France-KLM's shares, the number of performance units granted in 2021 was subsequently divided by 10. As a result, the number of performance units acquired in respect of the 2021 financial year is: 48,828.

As proposed by the Remuneration Committee, during its meeting of February 28, 2024 the Board of Directors noted the level of achievement of the performance conditions of the plan which stood at an overall 48% this overall figure including the achievement at:

- 36% of the condition linked to the relative COI of Air France-KLM, and
- 78% of the condition linked to the CSR targets.

As a result, as proposed by the Remuneration Committee, the Board of Directors set the number of performance units payable in shares to the Chief Executive Officer at 23,437 units.

Pursuant to Article L. 22-10-34 of the *Code de Commerce*, the payment of these 23,437 performance units is subject to prior approval by the Shareholders' Meeting.

The following table summarizes the characteristics of the elements of long-term variable compensation granted to the Chief Executive Officer in respect of the 2018, 2019, 2020, 2021, 2022 and 2023 financial years.

	2018	2019	2020	2021	2022	2023			
Summary table of the variable Long-Term Incentive Plans	2018 Phantom shares	2019 Phantom shares	2019 Specific Long Terme	2020 Phantom shares	2020 Specific Long Terme	2021 Phantom shares	2021 Specific Long Terme	2022 Performances shares Plan ⁽¹⁾	2023 Performance share Plan ⁽¹⁾
Characteristics of the plan	Payable in cash	Payable in cash	Payable in shares	Payable in cash	Payable in shares	Payable in cash	Payable in shares	Payable in shares	Payable in shares
Date of the Board of Directors meeting having granted the performance units	March 14, 2018	March 12, 2019	March 12, 2019	March 19, 2020	March 19, 2020	March 17, 2021	March 17, 2021	February 16, 2023	March 16, 2023
Date of the Shareholders' Meetings having approved these grants	May 28, 2019 (15 th resolution)	May 26, 2020 (13 th resolution)	May 26, 2020 (13 th resolution)	May 26, 2021 (16 th resolution)	May 26, 2021 (16 th resolution)	May 24, 2022 (14 th resolution)	May 24, 2022 (14 th resolution)	June 7, 2023 (14 th resolution)	June 7, 2023 (14 th resolution)
Number of performance units granted	36,714	110,253	110,253	200,400	200,400	195,313	195,313	490,196	1,178,550
Valuation on the grant date	€333,000	€1,000,000	€1,000,000	€1,000,000	€1,000,000	€1,000,000	€1,000,000	€2,000,000	€2,000,000
Year from which the payment can take place ⁽²⁾	2021 ⁽³⁾	2022 ⁽⁴⁾	2022 ⁽⁶⁾	2023 ⁽⁵⁾	2023	2024	2024	2025	2026
Presence conditions	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Number of performance units granted after the application of the coefficient of 2.5 linked to the neutralization of the recapitalization effect then divided by 10 following the reverse share split	9,178	27,563	27,563	50,100	50,100	48,828	48,828	122,549	117,855
Overall performance for the plan	100%	77.3%	70.0%	59.3%	86.7%	52.8%	48.0%	N/A	N/A
Number of performance units vested	9,178	21,306	19,294	29,709	43,421 ⁽⁷⁾	25,795	23,437	N/A	N/A
Valuation of the variable long-term compensation based on a share price of €12.078 (closing share price on January 31, 2024)	€110,852	€257,334	€233,033	€358,825	Conversion into shares in June 2023 for a value of €725,141	€311,552	€283,072	Plan in the vesting phase	Plan in the vesting phase

(1) During its meeting of February 16, 2022, the Board of Directors decided, on the expiry of the Specific Long-Term Incentive Plan at the end of 2021, to replace the two long-term incentive plans (one payable in cash and one payable in shares) with a single long-term incentive plan (payable in shares), without changing the overall amount of long-term compensation for the Chief Executive Officer. This change aims to simplify the long-term compensation policy and add consistency, in accordance with market practices, as well as to further align the interests of the beneficiary with those of the shareholders. This change enables the reinforcement of the beneficiaries equity interest in the company. It contributes to the retention of talented individuals and is aligned with the strategy and the transformation of the Air France-KLM group (for more detail, see section 2.5.3.2 b) of the 2021 Universal Registration Document.

(2) 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 variable compensation could be paid until such time as at least 75% of the recapitalization measures had been repaid. Any payments in respect of the Long-Term Incentive Plan ("phantom shares") and the Specific Long-Term Incentive Plan had thus been deferred until after the repayment of 75% of the recapitalization measures.

(3) 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.

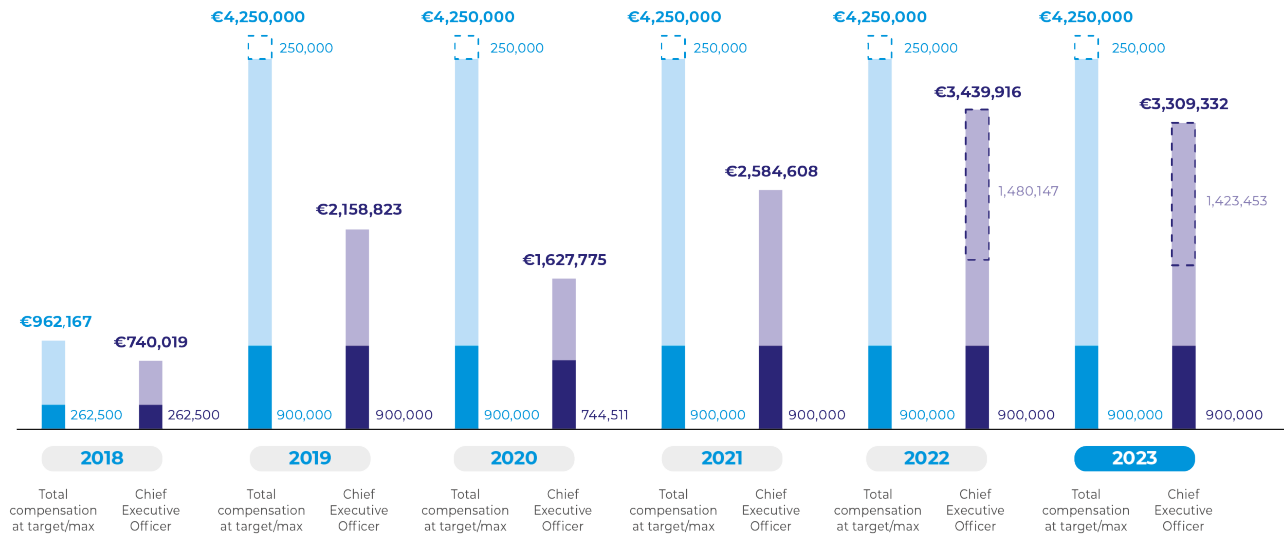
(4) In 2022, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years. The amount to be paid in respect of these performance units will be calculated with reference to the share price after the announcement of the results for the financial year preceding the one in which the payment must in principle take place pursuant to the applicable plan.

(5) In 2023, 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.

(6) It is stipulated that, pursuant to the amendment to the 2019 Specific Long-Term Incentive Plan detailed in section 2.5.3.2 b) of the 2021 Universal Registration Document, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years.

(7) It is stipulated that following the repayment of the State Aid on March 17, 2023, the variable Long-Term Incentive Plan in respect of 2020 (for the Specific Long-Term Incentive Plan) was converted into shares in June 2023.

CHANGE IN THE CHIEF EXECUTIVE OFFICER'S COMPENSATION BETWEEN 2018 AND 2023



TOTAL compensation at the target (fixed, annual variable and long-term variable)

- Total maximum compensation
- Long-term variable and annual variable compensation
- Fixed compensation

TOTAL compensation by grant year for the Chief Executive Officer

- Long-term variable compensation not yet vested and subject to performance conditions for the Chief Executive Officer
- Long-term variable and annual variable compensation
- Fixed compensation

Comment 1: the change in compensation is based on the grant years for the different elements composing the compensation for the Chief Executive Officer. An amount of annual variable compensation granted in 2021 is thus allocated to 2021 irrespective of the year of payment (not taking into account deferred payments).

Comment 2: the share price used to value the long-term incentive plans is €12.078 corresponding to the closing share price on January 31, 2024.

Comment 3: the vested plans for which the overall performance for the plan is known are valued based on the same share price retained (including units converted into shares for the 2020-22 Specific Incentive Plan).

Comment 4: for the plans in the vesting phase whose overall performance is not known as of the publication date, the units allocated on the grant date are valued at the share price retained without the application of the performance conditions.

Comment 5: the benefits in kind are not included to ensure a comparable base with the target and maximum compensation.

2.5.2.3 Ratios on the multiples of compensation paid to the executive officers in 2023

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.

	2019 Financial Year	2020 Financial Year ⁽¹⁾	2021 Financial Year	2022 Financial Year	2023 Financial Year
CHAIR OF THE BOARD OF DIRECTORS (ANNE-MARIE COUDERC)					
Ratio with average employee compensation in the relevant scope	3.39	3.22	3.68	3.36	2.99
Ratio with median employee compensation in the relevant scope	4.42	4.18	4.72	4.35	3.95
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH) Gross data					
Ratio with average employee compensation in the relevant scope	38.78	30.61	20.24	18.31	56.12
Ratio with median employee compensation in the relevant scope	50.57	39.63	25.96	23.69	74.23
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH) Data restated for the deferred annual variable compensation in respect of 2021					
Ratio with average employee compensation in the relevant scope	38.78	30.61	20.24	18.31	41.05
Ratio with median employee compensation in the relevant scope	50.57	39.63	25.96	23.69	54.3

(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.

The ratios with the average and median compensation of employees in the relevant scope are significantly higher with respect of the 2023 financial year as the lifting of the restrictions linked to the repayment of State Aid on March 17, 2023 enabled the payment of the compensation granted in respect of the preceding financial years (see section 2.5.2.2 of this Universal Registration Document).

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

- 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 the increase to her 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),

- note that, on March 19, 2020, 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 wage modalities as those applied to all the Air France and Air France-KLM SA employees (notably the reduction of the payment pro rata temporis for the periods of partial activity applied to all the employees for 2020). In practice, his annual fixed compensation was reduced by 25% between March 23 and December 31, 2020;

- 2021 Financial Year:
 - note that, on February 17, 2021, the Chair of the Board of Directors reiterated her commitment to waiving the application of the increase in her 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;
- 2022 Financial Year:
 - note that, on February 16, 2022, 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, which stipulates that the compensation for the Chair of the Board of Directors may not exceed the fixed portion of her compensation at December 31, 2019, the annual gross fixed compensation for the Chair of the Board of Directors was set by the Board of Directors at €200,000,
 - 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 could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid;
- 2023 Financial Year:
 - the annual gross fixed compensation of the Chair of the Board of Directors in respect of the 2023 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2023. As requested by the Chair of the Board of Directors, this amount does not take into account the increase in her annual

gross fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors on February 16, 2020,

- 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 could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. Since 75% of the State Aid was repaid on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year and the long-term variable compensation in respect of the 2020 financial year for the 2020-22 Specific Long-Term Incentive Plan was paid to the Chief Executive Officer during the 2023 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.

It is specified that, 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:

Annual compensation	2019 Financial Year ⁽¹⁾	2020 Financial Year	2021 Financial Year	2022 Financial Year	2023 Financial Year
CHAIR OF THE BOARD OF DIRECTORS (ANNE-MARIE COUDERC)⁽²⁾					
Compensation	€215,985	€190,835 ⁽³⁾	€215,984	€215,984	€215,984
Change/N-1	+7.99%	-11.64%	+13.18%	+0%	+0%
Ratio with average compensation	3.39	3.22	3.68	3.36	2.99
Change/N-1	+0.30	-0.17	+0.46	-0.32	-0.38
Ratio with median compensation	4.42	4.18	4.72	4.35	3.95
Change/N-1	+0.42	-0.24	-0.54	-0.37	-0.4
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH) GROSS DATA⁽²⁾					
Compensation	€2,470,345	€1,808,253 ⁽⁴⁾	€1,187,113 ⁽⁶⁾	€1,175,380 ⁽⁶⁾	€ 4,058,968 ⁽⁷⁾
Change/N-1	+174.47%	-26.80%	-34.35%	-1.00%	245.33%
Ratio with average compensation	38.78	30.51	20.24	18.31	56.12
Change/N-1	+24.89	-8.27	-10.27	-1.93	37.81
Ratio with median compensation	50.57	39.63	25.96	23.69	74.23
Change/N-1	+32.57	-10.93	-13.68	-2.27	50.54
CHIEF EXECUTIVE OFFICER (BENJAMIN SMITH) DATA RESTATED FOR THE DEFERRED ANNUAL VARIABLE COMPENSATION IN RESPECT OF 2021					
Compensation	€2,470,345	€1,808,253 ⁽⁴⁾	€1,187,113 ⁽⁶⁾	€1,175,380 ⁽⁶⁾	€ 2,968,984 ⁽⁷⁾
Change/N-1	+174.47%	-26.80%	-34.35%	-1.00%	152.60%
Ratio with average compensation	38.78	30.51	20.24	18.31	41,05
Change/N-1	+24.89	-8.27	-10.27	-1.93	22,74
Ratio with median compensation	50.57	39.63	25.96	23.69	54,30
Change/N-1	+32.57	-10.93	-13.68	-2.27	30,61
BOARD DIRECTORS⁽⁸⁾					
Compensation (formerly directors' fees)	€826,417	€706,133 ⁽⁹⁾	€637,772 ⁽¹⁰⁾	€836,321 ⁽¹¹⁾	€848,432
Change/N-1	-8.93%	-14.55%	-9.68%	+31.13%	+1.45%
EMPLOYEES IN THE RELEVANT SCOPE⁽¹³⁾					
Average compensation	€63,696	€59,261	€58,656	€64,206	€ 72,331
Change/N-1	-1.72%	-6.96%	-1.02%	+9.46 ⁽¹¹⁾	+12.65%

	2019 Financial Year ⁽¹⁾	2020 Financial Year ⁽¹⁾	2021 Financial Year	2022 Financial Year	2023 Financial Year
PERFORMANCE OF THE COMPANY BASED ON THE REPORTED FIGURES					
Net Results (in € million)	290	-7,100	-3,292	728	934
Change/N-1 (in € million)	-129	-7,390	3,808	+4,020	+206
Current Operating Income (COI) (in € million)	1,141	-4,554	-1,626	1,193	1,712
Change/N-1 (in € million)	-264	-5,695	2,928	2,819	+519
Net debt/EBITDA ratio	1.5x	-6.5x	11.03x	1.75x	1.20x
Change/N-1	0.1	-8	17.5	-9.28	-0.56

- (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 amounts of compensation for 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) 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 its reduction pro rata temporis for the periods of partial activity applied to all the employees).
- (5) 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.
- (6) The amount of annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year was set at 121.11% of the annual fixed compensation, i.e. €1,098,984, by the Board of Directors during its meeting of February 16, 2022. This amount will be able to be paid to the Chief Executive Officer once 75% of the recapitalization measures has been repaid.
- (7) It is specified that, pursuant to the European Commission's decision of April 21, 2021 on case No.SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. Since the repayment of 75% of the State Aid took place on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year and the long-term variable compensation in respect of the 2020 financial year (for the Specific Long-Term Incentive Plan) were paid to the Chief Executive Officer during the 2023 financial year.
- (8) It is specified 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.
- (9) On April 3, 2020, the Air France-KLM Board 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, 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 Air France-KLM directors decided to reduce by 25% their compensation paid in 2021 until such time as the Group's current operating income (COI) had returned to a positive figure.
- (11) Following the deliberation of the Board of Directors of December 8, 2022, having noted that the first half financial statements at June 30, 2022 and the third quarter financial statements had indicated that the Group's Current Operating Income would be positive at December 31, 2022, it was decided to remove the 25% reduction in the compensation for Board directors paid in respect of the 2022 financial year.
- (12) The increase in the compensation for employees within the relevant scope is explained by the recovery in activity at Société Air France with notably the reduction in partial activity.
- (13) 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 2023

In the 2023 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.

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 (TABLE 2 – AMF POSITION-RECOMMENDATION – DOC-2021-02 (APPENDIX 2))

	2023 Financial Year		2022 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⁾	200,000 ⁽²⁾	200,000 ⁽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	215,984	215,984

(1) The annual gross fixed compensation for the Chair of the Board of Directors in respect of the 2023 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2023. At the request of the Chair of the Board of Directors this amount does not take into account the increase in her annual gross fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors during its meeting of February 19, 2020.

(2) 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, providing that the compensation for the Chair of the Board of Directors may not exceed the fixed portion of her compensation at December 31, 2019, the annual gross fixed compensation for the Chair of the Board of Directors in respect of the 2022 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2022. Her annual fixed compensation was thus €200,000 in respect of her functions for 2022.

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

	2023 Financial Year		2022 Financial Year	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Mr. Benjamin Smith, Chief Executive Officer				
Fixed compensation	900,000	900,000	900,000	900,000
Annual variable compensation	985 880 ⁽¹⁾	1,059,769 ⁽²⁾ 1,089,984 ⁽¹⁾ in respect of 2021	1,059,769 ⁽³⁾	0 ⁽³⁾
Long-term variable compensation	2,000,000 ⁽⁴⁾	725,141 ⁽¹⁾	2,000,000 ⁽⁵⁾	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	284,074 ⁽⁶⁾	284,074 ⁽⁶⁾	275,380 ⁽⁶⁾	275,380 ⁽⁶⁾
TOTAL	4,169,954	€2,968,984 excluding deferred payment <i>(€4,058,968 including deferred payment of the 2021 variable compensation)</i>	4,235,149	1,175,380

- (1) 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 long-term variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. As the repayment of 75% of the State Aid took place on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year and the long-term variable compensation in respect of 2020 (for the Specific Long-Term Incentive Plan 2020-2022) was paid to the Chief Executive Officer during the 2023 financial year.
- (2) The details concerning the annual variable compensation of the Chief Executive Officer for 2022 are outlined in section 2.5.5.2.b of the 2022 Universal Registration Document.
- (3) 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 long-term variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid.
- (4) Amount of the grant corresponding to 117,855 performance units (after the division by 10 pursuant to the Chief Executive Officer's decision of August 31, 2023) calculated with reference to the Air France-KLM opening share price on April 1, 2023. The number of performance units to be definitively vested is subject to a presence condition and performance conditions, evaluated over three years, and presented in section 2.3.3.2 b of the 2022 Universal Registration Document.
- (5) Amount of the grant corresponding to 122,549 performance units (after application of the coefficient of 2.5 pursuant to the Board of Directors' resolution of October 27, 2022 and the division by 10 pursuant to the Chief Executive Officer's decision of August 31, 2023) calculated with reference to the Air France-KLM opening share price on April 1, 2022, payable in 2025 (excepting the exercise by the beneficiary of his right to defer payment for a maximum of three years). The number of performance units to be definitively vested is subject to a presence condition and performance conditions, evaluated over three years, and presented in section 2.3.3.2 b of the 2021 Universal Registration Document.
- (6) The Chief Executive Officer benefits from a chauffeur-driven company car and a supplementary health and disability scheme. Given his relocation to France, he also benefits from an accommodation allowance, free airline tickets, school fees and advisory services.

**SUMMARY TABLE OF THE COMPENSATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER
(TABLE 1 – AMF POSITION-RECOMMENDATION – DOC-2021-02 (APPENDIX 2))**

<i>(in euros)</i>	2023 Financial Year	2022 Financial Year
MS. ANNE-MARIE COUDERC, CHAIR OF THE BOARD OF DIRECTORS		
Compensation granted in respect of the financial year	215,984 ⁽¹⁾	215,984 ⁽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	215,984

(1) As requested by the Chair of the Board of Directors, the annual gross fixed compensation for the Chair of the Board of Directors in respect of the 2023 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2023. This amount does not take into account the increase in her annual gross fixed compensation (from €200,000 to €220,000) which had been decided by the Board of Directors during its meeting of February 19, 2020.

(2) 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, providing that the compensation for the Chair of the Board of Directors may not exceed the fixed portion of her compensation at December 31, 2019, the annual gross fixed compensation for the Chair of the Board of Directors in respect of the 2022 financial year was set at €200,000 by the Board of Directors during its meeting of February 16, 2022. Her annual fixed compensation was thus €200,000 in respect of her functions for 2022.

<i>(in euros)</i>	2023 Financial Year	2022 Financial Year
MR. BENJAMIN SMITH, CHIEF EXECUTIVE OFFICER		
Compensation granted in respect of the financial year	4,169,954 ⁽¹⁾	4,235,149
Valuation of multi-year variable compensation granted during the financial year	N/A	N/A (2)
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	4,169,954	4,235,149

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

(2) For more details on the long-term compensation granted in respect of the preceding financial years see section 2.5.2.2 of this Universal Registration Document.

**SUMMARY TABLE OF THE SITUATION OF THE EXECUTIVE OFFICERS
(TABLE 10 – AFEP-MEDEF CODE)**

	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: 2024 Ordinary Shareholders' Meeting ⁽¹⁾		√		√ ⁽²⁾			√	√
Mr. Benjamin Smith Chief Executive Officer Start date of mandate: September 17, 2018 Expiry date of mandate: 2027 Ordinary Shareholders' Meeting ⁽³⁾		√		√ ⁽⁴⁾	√ ⁽⁵⁾			√

(1) Ms. Anne-Marie Couderc was appointed Chair of the Board of Directors from May 15, 2018 until the end of the 2023 Ordinary Shareholders' Meeting. Her mandate as Chair of the Board of Directors was renewed for an additional year by a decision of the Board of Directors on December 7, 2023, 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 June 5, 2024.

(2) During its meeting of February 28, 2024, the Board of Directors decided to establish a supplementary pension scheme to the benefit of the Chair of the Board of Directors. For more details on this supplementary pension scheme for the Chair of the Board of Directors see section 2.5.3.2.

(3) The Chief Executive Officer has also been a Board director of Société Air France-KLM since December 5, 2018. His Board director mandate was renewed for a four-year term of office, i.e. until the end of the 2027 Ordinary Shareholders' Meeting, by a decision taken by the shareholders during the Shareholders' Meeting of June 7, 2023. Mr. Benjamin Smith's mandate as Chief Executive Officer was renewed early on March 30, 2022 for a further five-year term, effective as of the Shareholders' Meeting of May 24, 2022 and expiring at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2026.

(4) During its meeting of February 28, 2024, the Board of Directors decided to establish a supplementary pension scheme to the benefit of the Chief Executive Officer. For more details on this supplementary pension scheme for the Chief Executive Officer see section 2.5.3.2.

(5) 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.

2.5.2.6 Summary of the elements of compensation for the Chief Executive Officer

The compensation elements of the Chief Executive Officer since 2018 are summarized below.

The framework of the compensation policy for the Chief Executive Officer was set by the Board of Directors, as proposed by the Remuneration Committee, during its meeting of August 16, 2018. It stipulates that the compensation of the Chief Executive Officer shall be composed of the following three elements:

- 1) an annual fixed amount of compensation;
- 2) an annual variable amount of compensation linked 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) an amount of long-term variable compensation.

This compensation structure has remained unchanged since the Board of Directors' decisions of August 16, 2018 in terms of both the amount of fixed compensation and the amounts of annual and long-term compensation at targets achieved and the maximum amounts in the event that these targets are exceeded. Within the framework of this policy, the Chief Executive Officer receives benefits in kind whose scope has remained unchanged since 2018.

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-KLM and Air France, no variable compensation was paid to the Chief Executive Officer during the 2021 and 2022 financial years.

The tables below summarize the elements of compensation for the Chief Executive Officer since 2018:

Elements of compensation	2018 ⁽¹⁾		Comments
	Compensation granted for the financial year 2018	Compensation paid during the financial year 2018	
Fixed compensation	262,500	262,500	Fixed compensation unchanged since 2018
Annual variable compensation subject to performance conditions	366,667	0	
Long-term variable compensation subject to presence condition	333,000	0	The amount allocated to long-term variable compensation (corresponding to 36,714 performance units granted in respect of the 2018-20 "Phantom Shares" Long-Term Incentive Plan calculated with reference to the Air France-KLM opening share price on August 17, 2018) was subject to a three-year presence condition. In 2021, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years. Based on the Air France-KLM share price of January 31, 2024 (closing price), the value of the long-term compensation having vested is €110,852 corresponding to 9,178 performance units acquired (after application of the performance plan and of the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and the application of the decision of the Chief Executive Officer of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2018-20 "Phantom Shares" Long-Term Incentive Plan. A summary of the information relating to the long-term compensation plans can be found in section 2.5.2.2 of the 2022 Universal Registration Document.
Benefits in kind	0	0	
TOTAL	962,167	262,500	

(1) Mr. Benjamin Smith was appointed Chief Executive Officer on September 17, 2018.

2019

Elements of compensation	Compensation granted in respect of the financial year 2019	Compensation paid during the financial year 2019	Comments
Fixed compensation	900,000	900,000	Fixed compensation unchanged since 2018
Annual variable compensation subject to performance conditions	768,456	366,667	The amount of €366,667 corresponds to the annual variable compensation acquired in respect of the 2018 financial year.
Long-term variable compensation subject to presence and performance conditions	2,000,000	0	<p>The amount allocated to long-term variable compensation (corresponding to 110,253 performance units granted in respect of the 2019-21 "Phantom Shares" Long-Term Incentive Plan and 110,253 performance units granted in respect of the 2019-21 Specific Long-Term Incentive Plan, calculated with reference to the Air France-KLM opening share price on April 1, 2019) was subject to presence and performance conditions.</p> <p>In 2022, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years.</p> <p>Based on the Air France-KLM share price of January 31, 2024 (closing price), the value of the long-term compensation having vested is €490,367, corresponding to 21,306 performance units acquired (after application of the performance plan at 77.3% and the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and the application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2019-21 Specific Long-Term Incentive Plan and to 19,294 performance units acquired (after application of the performance plan at 70% and the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and the application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2019-21 Specific Long-Term Incentive Plan.</p> <p>A summary of the information relating to the long-term compensation plans can be found in section 2.5.2.2 of the 2022 Universal Registration Document.</p>
Benefits in kind	313,201	313,201	
TOTAL	3,981,657	1,579,868	

2020

Elements of compensation	Compensation granted in respect of the 2020 financial year	Compensation paid during the 2020 financial year	Comments
Fixed compensation	744,511	744,511	The Chief Executive Officer decided to reduce by 25% his fixed compensation paid during the 2020 financial year as of the onset of the crisis linked to the Covid-19 pandemic until the end of the year.
Annual variable compensation subject to performance conditions	—	768,456	<p>The Chief Executive Officer waived the payment of his annual variable compensation in respect of the 2020 financial year.</p> <p>The amount of €768,456 corresponds to the annual variable compensation received in respect of the 2019 financial year.</p>
Long-term variable compensation subject to presence and performance conditions	2,000,000	0	<p>The amount allocated to the long-term variable compensation (corresponding to 200,400 performance units granted in respect of the 2020-22 “Phantom Shares” Long-Term Incentive Plan and to 200,400 performance units granted in respect of the 2020-22 Specific Long-Term Incentive Plan, calculated with reference to the Air France-KLM opening share price on April 1, 2020) was subject to presence and performance conditions.</p> <p>In 2023, the Chief Executive Officer exercised his right to defer payment of the performance units granted in respect of the 2020-22 “Phantom Shares” Long-Term Incentive Plan for a maximum of three years.</p> <p>Based on the Air France-KLM share price of January 31, 2024 (closing price), the value of the long-term variable compensation vested is €883,264, corresponding to 29,709 performance units acquired (after application of the performance plan at 59.3% and of the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and in application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2020-22 “Phantom Shares” Long-Term Incentive Plan and 43,421 performance units acquired (after application of the performance plan at 86.7% and the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and in application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of the performance units granted) in respect of the 2020-22 Specific Long-Term Incentive Plan (NB: the latter was converted into shares in June 2023).</p> <p>A summary of the information relating to the long-term compensation plans can be found in section 2.5.2.2 of the 2022 Universal Registration Document.</p>
Benefits in kind	295,287	395,287	
TOTAL	3,039,798	1,808,254	

2021

Elements of compensation	Compensation granted in respect of the financial year 2021	Compensation paid during the financial year 2021	Comments
Fixed compensation	900,000	900,000	Fixed compensation unchanged since 2018
Annual variable compensation subject to performance conditions	1,089,984	0	The Chief Executive Officer waived the payment of his annual variable compensation in respect of the 2020 financial year.
Long-term variable compensation subject to presence and performance conditions	2,000,000	0	<p>The amount allocated to the long-term variable compensation (corresponding to 195,333 performance units granted in respect of the 2021-23 "Phantom Shares" Long-Term Incentive Plan and to 195,313 performance units granted in respect of the 2021-23 Specific Long-Term Incentive Plan calculated with reference to the Air France-KLM opening share price on April 1, 2021) was subject to presence and performance conditions.</p> <p>In 2024, the Chief Executive Officer exercised his right to defer payment of the performance units granted in respect of the 2020-22 "Phantom Shares" Long-Term Incentive Plan for a maximum of three years.</p> <p>Based on the Air France-KLM share price on January 31, 2024 (closing price), the value of the long-term variable compensation vested is €594,624 corresponding to 25,795 performance units acquired (after application of the performance plan at 52.8% and the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and the application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2021-23 "Phantom Shares" Long-Term Incentive Plan and to 23,437 performance units (after application of the performance plan at 48% and the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022, and the application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of the performance shares granted) in respect of the 2021-23 Specific Long-Term Incentive Plan.</p> <p>A summary of the information relating to the long-term compensation plans can be found in section 2.5.2.2 of the 2022 Universal Registration Document.</p>
Benefits in kind	287,113	287,113	
TOTAL	4,277,097	1,187,113	

2022

Elements of compensation	Compensation granted in respect of the financial year 2022	Compensation paid during the financial year 2022	Comments
Fixed compensation	900,000	900,000	Fixed compensation unchanged since 2018
Annual variable compensation subject to performance conditions	1,059,769	0	No variable compensation was able to be paid to the Chief Executive Officer until such time is at least 75% of the State Aid had been repaid.
Long-term variable compensation subject to presence and performance conditions	2,000,000	0	<p>The amount allocated to the long-term variable compensation (corresponding to 122,549 performance units after application of the coefficient of 2.5 pursuant to the decision of the Board of Directors of October 27, 2022 and the application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance shares granted) in respect of the 2022-24 "Phantom Shares" Long-Term Incentive Plan, calculated with reference to the Air France-KLM opening share price on April 1, 2022 (subject to the condition precedent of the repayment of at least 75% of the State Aid) is subject to presence and performance conditions. This long-term variable compensation is payable at the end of a three-year period in 2025.</p> <p>A summary of the information relating to the long-term compensation plans can be found in section 2.5.2.2 of the 2022 Universal Registration Document.</p>
Benefits in kind	275,380	275,380	
TOTAL	4,235,149	1,175,380	

(€2,265,364 including deferred payment of the 2021 variable compensation)

2023

Elements of compensation	Compensation granted in respect of the financial year 2023	Compensation paid during the financial year 2023	Comments
Fixed compensation	900,000	900,000	Fixed compensation unchanged since 2018
Annual variable compensation subject to performance conditions	985,880	1,059,769 in respect of 2022 (1,089,984 in respect of 2021, deferred payment following the reimbursement of the State Aid on March 17, 2023)	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-KLM, no variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the State Aid had been repaid. As the repayment of 75% of the aforementioned State Aid took place on March 17, 2023, the annual variable compensation for the Chief Executive Officer in respect of the 2021 financial year was paid to the Chief Executive Officer during the 2023 financial year.
Long-term variable compensation subject to presence and performance conditions	2,000,000	725,141	The amount of long-term variable compensation granted (corresponding to 117,855 performance units after application of the Chief Executive Officer's decision of August 31, 2023 to proceed with the division by 10, the number of performance units granted) in respect of the 2023-25 "Performance Shares" Long-Term Incentive Plan, calculated with reference to the Air France-KLM opening share price on April 1, 2023 is subject to presence and performance conditions. This long-term variable compensation is payable at the end of a three-year period in 2026. 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-KLM, no variable compensation could be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures had been repaid. As the repayment of 75% of the State Aid took place on March 17, 2023, the long-term variable compensation in respect of the 2020 financial year (for the Specific Long-Term Incentive Plan) was paid (conversion of the vested units into shares) to the Chief Executive Officer during the 2023 financial year. Thus 434,216 performance units (after application of the coefficient of 2.5 at the share price of €1.67) were converted into shares in 2023.
Benefits in kind	284,074	284,074	
TOTAL	4,169,954	€2,968,984 excluding deferred payment	
			(€4,058,968 including deferred payment of the 2021 variable compensation)

The fixed and variable compensation (annual and long-term) for the Chief Executive Officer has not been increased since the beginning of his mandate in 2018.

2.5.3 Compensation policy for the Company officers in respect of 2024

This section has been established pursuant to Articles L. 22-10-8 and R. 22-10-14 of the *Code de Commerce* and outlines the elements composing the compensation policy for the company officers in respect of 2024.

As recommended by the Remuneration Committee, the Board of Directors has taken into account the vote of the Shareholders' Meeting of June 7, 2023 on the compensation for the executive officers in respect of the 2022 financial year to determine the 2024 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 the 2024 financial year:

- 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;
- is aligned with its commercial strategy in that it is composed 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.

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 for the company officers. 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 fulfillment of their respective duties.

The Internal Rules 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 attending the debate or participating in the vote for the corresponding deliberation. The executive officers thus 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 2024 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 2024 compensation policy for the company officers will be the subject of a draft resolution submitted for approval by the Shareholders' Meeting of June 5, 2024 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 2024

Subject to approval of the 2024 compensation policy for the company officers by the Shareholders' Meeting of June 5, 2024, the Board directors of Air France-KLM will receive, in respect of their Board directors' mandates, compensation (formerly directors' fees) amounting to a maximum amount 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 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).

As its meeting of December 11, 2019, the Board of Directors also decided that a portion of the compensation for Board directors in respect of their functions within the Committees would be based on their 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 the functions exercised within the Committees (i) does not change the total budget granted for the duties exercised within the 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 will be able to 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) will not be able to 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 decree of December 18, 2014, as amended by the ministerial decree 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 is shared as follows:
 - 15% paid to the State, and
 - 85% paid directly to the relevant Board director (with the application of the social and tax charges).

2.5.3.2 Compensation of the executive officers in respect of 2024

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 Rules, 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 scale. 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) 2024 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 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, 2023. The renewal of her Board director mandate for a one-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, 2024, will be submitted to the shareholder vote at the Shareholders' Meeting of June 5, 2024. Ms. Anne-Marie Couderc was appointed Chair of the Board of Directors from May 15, 2018 and until June 5, 2024. Her mandate as Chair of the Board of Directors was renewed for one additional year by a resolution adopted by the Board of Directors during its meeting of December 7, 2023, subject to approval by the shareholders during the Shareholders' Meeting of June 5, 2024 of the amendment to Article 26 of the Company's Articles of Incorporation stipulating that, when the age limit for the Chair of the Board of Directors is reached during the course of his or her Board director mandate, the latter will continue to exercise his or her duties as Chair of the Board of Directors until the end of his or her Board director mandate. 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 28, 2024, the Board of Directors defined, as proposed by the Remuneration Committee, the structure of the compensation to be granted to the Chair of the Air France-KLM Board of Directors in respect of the 2024 financial year.

Annual compensation (fixed and variable)

Description of the annual fixed and variable elements

Following an analysis of remuneration practices in a panel of comparable CAC 40 and Next 20 companies in which the French State is a minority shareholder, which showed that the current remuneration of the Chair of the Board of Directors is well below market practice, the Board of Directors decided at its meeting on February 28, 2024, on the recommendation of the Remuneration Committee, to increase the gross annual fixed remuneration to €350,000. It should be noted that on March 28, 2024, the Chair of the Board, while acknowledging the need to set this level of remuneration for the position, informed the Board of her position, consisting, for her last year in office, of remaining at the level of fixed remuneration of recent years. Accordingly, her gross fixed annual remuneration will be €200,000 for the year 2024.

Note that a revised amount of annual fixed compensation for the Chair of the Board of Directors had been set at €220,000 by the Board of Directors on February 19, 2020 but the Chair of the Board of Directors had waived this increase in respect of the 2020 and 2021 financial years and this increase was not applied in respect of the 2022 financial year in compliance with the European Commission's decision of April 5, 2021 on case No. SA59913 relating to the recapitalization of Air France and Air-France-KLM which stipulates that the

compensation of the Chair of the Board of Directors may not exceed the fixed portion of her compensation at December 31, 2019. For the 2023 financial year, the Board of Directors decided, as requested by the Chair of the Board of Directors, to set her level of compensation at €200,000 without applying the increase decided by the Board of Directors on February 19, 2020. 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.

Supplementary pension plan

The Chair of the Board of Directors would benefit from the defined-contribution pension plan (*Plan Épargne Retraite Obligatoire* – PERO) applicable to all managerial-level employees in France but would not benefit from the implementation of the optional defined contribution pension plan (Article 82 of the French General Tax Code). It is specified that, since assuming her duties within the Group in 2016, the Chair has only benefited from a mandatory pension plan paid for by the Group.

Mandatory defined-contribution pension plan (Article 83) known as the Plan d'Épargne Retraite Obligatoire (PERO)

The Chair of the Board of Directors will benefit from the defined-contribution pension plan (PERO) set up as of January 1, 2024 to the benefit of the Group's executive officers and the members of the Group Executive Committee.

The contributions will represent:

- 5% of gross compensation up to a maximum of 8 times the annual social security ceilings, 100% paid by the Company;
- the Chair of the Board will benefit from this plan under the same conditions as the other company officers and members of the Group Executive Committee.

Others

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) 2024 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 renewed during the Shareholders' Meeting of June 7, 2023 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, 2026. The term of his mandate as Chief Executive Officer is five years. It was renewed early on March 30, 2022, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2026. 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 Group's new 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 had considered it necessary to modify the structure of 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.

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 compensation structure set by the Board of Directors in August 2018 remained unchanged for the 2019 to 2023 financial years. It is however stipulated that, in 2022, the two long-term incentive plans (one payable in cash and the other payable in shares) were replaced by a single long-term incentive plan (payable in shares) without changing the overall amount of the long-term compensation for the Chief Executive Officer. This adaptation was aimed at simplifying the plans in place and making them consistent with the market practices, and reinforcing the link with shareholders' interests around the Group's strategic goals.

As recommended by the Remuneration Committee, for the 2024 financial year, the Board of Directors decided to change the structure of the compensation for the Chief Executive Officer. This new compensation structure will apply until the end of the Chief Executive Officer's current mandate.

The Board of Directors took a number of factors into consideration, and in particular:

- **the profile, experience and expertise of Mr. Benjamin Smith:** Mr. Benjamin Smith is an internationally-recognized leader in the air transport industry, having spent 20 years with Air Canada. Since his arrival in 2018, he has put his expertise at the Group's service with the help of his strategic vision of the market and his ability to anticipate the exit from the health crisis.

Mr. Benjamin Smith has also played a key role in maintaining the Group's social stability. Mr. Benjamin Smith has also distinguished himself by placing the deployment of sustainable development at the heart of his strategy;

- **the analysis of the compensation practices in comparable companies:** the study carried out by an independent external consultant (Heidrick & Struggles) on the compensation practices for similar functions in a sample of CAC 40 and Next 20 companies with the French State as a minority shareholder, as well as in Air France-KLM's main European and international competitors, showed that Mr Benjamin Smith's total target and maximum compensation is lower than the market practices and is positioned as follows: compa ratio (Mr. Benjamin Smith's compensation compared with the median compensation of the relevant benchmark) of 56% in total target compensation (fixed, annual variable and long-term variable) and a compa ratio of 49% in total maximum compensation relative to the CEOs of the main European and international competitors (including Lufthansa and IAG). The study also highlighted that the compensation of CAC40 and Next 20 CEOs has increased by an annual average of more than 3% between 2018 and the present day;
- **the change in the Group's profile and its transformation generating operating performance and value creation:** since joining the Group in 2018, Mr. Benjamin Smith has made a major contribution to the Group's transformation based on an ambitious strategy, bringing Air France-KLM's profitability closer into line with that of its competitors.

Despite the global pandemic having had a severe impact for three years running, the Group succeeded in achieving the highest sales figures in its history by 2023. The Group's transformation has also enabled it to position its unit costs below those of the competition while maintaining a similar level of unit revenues despite an inflationary context;

- **average increase of 16% in the compensation (based only on the general increases applied) of Air France Group employees between 2019 and 2024 recorded based on the geographies where Air France operates and the annual negotiations with the unions:** it is specified that the compensation for Air France Group employees increased by 13.5% on average between 2019 and 2023, followed by 2.5% in 2024.

In the light of these various factors, as recommended by the Remuneration Committee, the Board of Directors decided to change certain components of the compensation for the Chief Executive Officer as follows:

- increase the annual fixed compensation to €1,044,000, i.e. an increase of 16%;
- increase the target annual variable compensation from 122% to 150% of the annual fixed compensation;
- increase the maximum annual variable compensation from 150% to 180% of the annual fixed compensation;
- the long-term variable compensation remains unchanged.

This represents an increase in total compensation (fixed, annual variable and long-term variable) of +15.3% at the target and +15.8% at the maximum.

Furthermore, a supplementary pension plan has been put in place composed of a mandatory defined-contribution plan (Article 83 of the French General Tax Code) known as a Plan Épargne Retraite Obligatoire (PERO) and an optional defined-contribution pension plan (Article 82 of the French General Tax Code).

During the Shareholders' Meeting of June 7, 2023, the resolution on the fixed, variable and extraordinary elements composing the total compensation and the benefits in kind of any nature paid during the 2022 financial year to the Chief Executive Officer (14th resolution) was 80.48% approved (compared with 75.06% in the previous year) while the 2023 compensation policy for the Chief Executive Officer (17th resolution) was approved at 83.50% (compared with 74.71% in the previous year).

During its meeting of February 28, 2024, as proposed by the Remuneration Committee, the Board of Directors thus set the compensation structure for the Chief Executive Officer of Air France-KLM in respect of the 2024 financial year. This compensation structure is composed of an amount of fixed compensation representing 22.6% of Mr. Benjamin Smith's total compensation, annual variable compensation representing 34% of his total compensation and long-term variable compensation representing 43.4% of his total compensation. More than 75% of Mr. Benjamin Smith's total annual compensation thus depends on the achievement of demanding performance conditions.

The performance criteria linked to the variable compensation within the framework of the 2024 compensation and the levels of performance and achievement percentages of these criteria were set pursuant to the Board resolutions of February 28, 2024, as recommended by the Remuneration Committee.

STRUCTURE OF THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER OF AIR FRANCE-KLM IN RESPECT OF THE 2024 FINANCIAL YEAR



(1) 150% of the fixed compensation on achievement of the targets potentially rising to 180% should the targets be exceeded.

(2) A long-term incentive plan conferring the right to the granting of performance units corresponding to an amount of €2,000,000.

(3) Amount of €1,044,000.

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 €1,044,000, representing a 16% increase relative to his previous level set in 2018 and from annual gross variable compensation varying between 0% and 150% of the annual gross fixed compensation at targets partially achieved (calculated on a linear basis), and potentially reaching a maximum of 180% in the event the targets are exceeded (calculated on a linear basis).

The performance criteria which were set by the Board of Directors during its meeting of February 28, 2024, are 60% linked to performance and the Group's financial targets, and 40% are criteria linked to non-financial targets, of which half are quantitative. The Board of Directors has set ambitious levels of performance and achievement percentages for the 2024 financial year.

The performance criteria for the annual variable compensation were set by the Board of Directors during its meeting of February 28, 2024, aimed at limiting their number, simplifying their structure and establishing quantitative targets for one of the non-financial criteria. It is nevertheless specified that the "Individual & leadership"⁽¹⁾ criterion will be subject to a qualitative evaluation.

	Breakdown of the variable portion	
	Target: 150% of the fixed compensation	Maximum: 180% of the fixed compensation
FINANCIAL PERFORMANCE		
Absolute Current Operating Income (COI)		
Air France-KLM COI at December 31, 2024 compared to the COI figuring in the 2024 budget	60%	72%
Adjusted Free Cash Flow		
Adjusted Free Cash Flow of Air France-KLM at December 31, 2024 compared to the Adjusted Free Cash Flow as figuring in the 2024 budget	30%	36%
NON-FINANCIAL QUANTITATIVE PERFORMANCE		
Decarbonization plan		
Use of SAF, fleet renewal and measures taken at the initiative of the airlines	30%	36%
Individual & Leadership ⁽¹⁾	30%	36%

Evaluation of the 2024 performance criteria

Quantitative financial performance

The quantitative performance relative to the financial criteria (Absolute Current Operating Income, Air France-KLM's free cash flow) will be evaluated on the basis of the following rules:

Absolute Air France-KLM COI	Performance	% attainment of the criterion
Air France-KLM COI at December 31, 2024 compared with the COI figuring in the 2024 budget	Level 1 <€1 billion	0%
	Level 2 Between €1 billion and €2 billion	0% to the target Proportionate
	Level 3 Between €2 billion and €2.4 billion	100%
	Level 4 Between €2.4 billion and €2.6 billion	100% to Maximum Proportionate
	Level 5 > €2.6 billion	Maximum

ADJUSTED FREE CASH FLOW

Adjusted Free Cash Flow of Air France-KLM at December 31, 2024 compared with the Adjusted Free Cash Flow figuring in the 2024 budget	% attainment of the criterion
Level 1. Negative amount	0%
Level 2. Between 0 and €575 million	0% to the target Proportionate
Level 3. Between €575 million and €975 million	100%
Level 4. Between €975 million and €1.175 billion	100% to Maximum Proportionate
Level 5. Above €1.175 billion	Maximum

⁽¹⁾ The Individual & Leadership criterion will be evaluated partly based on a qualitative assessment and partly on a quantitative assessment.

Non-financial quantitative performance

Decarbonization action plan	% attainment of the criterion
Level 1. Significantly below the target	0%
Level 2. Target	0% to Maximum Proportionate
Level 3. Significantly above the target	100%

The performance on this criterion will be evaluated based on the use of SAF, the renewal of the fleet and the measures taken at the initiative of the airlines to contribute to the decarbonization action plan.

Non-financial qualitative performance

Individual & Leadership	<p>The evaluation will examine the actions and results in the light, notably, of the following fundamental priorities:</p> <ol style="list-style-type: none"> 1) Maintained social stability; 2) Strategic vision of the market; 3) Transformation breakthrough; 4) Inspirational external communication; 5) Management of the management teams; 6) Assessment of the Employee Promoter Score (EPS) and of the Net Employer Score (NPS). <p>The performance will be evaluated by the Board of Directors (percentage attainment of between 0 and the maximum).</p>
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In any case, this annual variable 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).

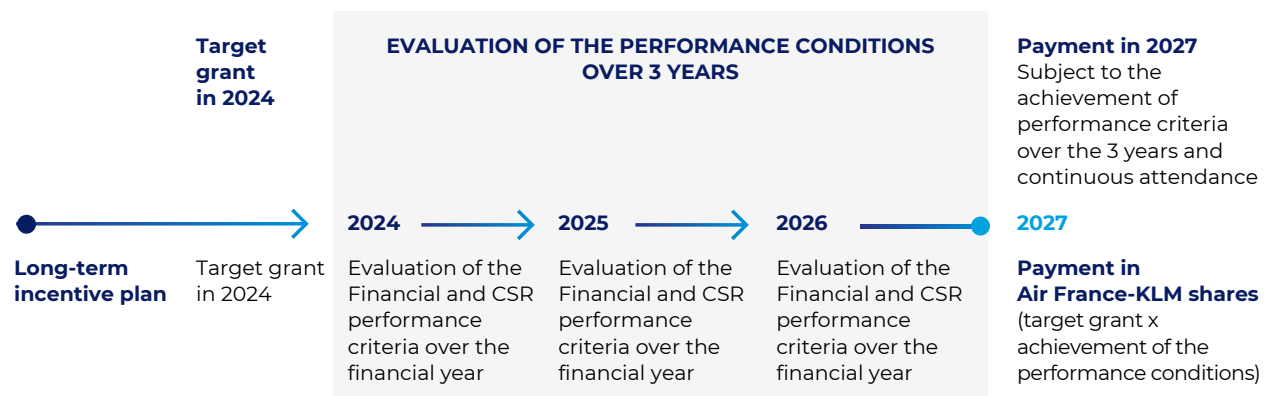
Long-term compensation

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 Incentive 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 its shareholders. Note that the vesting and payment of these elements of compensation will only take place at the end of this three-year period.

LONG-TERM INCENTIVE PLAN FOR AIR FRANCE-KLM



c) Long-term incentive plan

The Group plans to initiate 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 executives and employees has been established pursuant to the Board of Directors resolution of February 28, 2024. During its meeting of February 28, 2024, the Board of Directors decided to establish a long-term incentive plan applicable to the Chief Executive Officer with the same main characteristics as the long-term incentive plan established in 2022. This decision is aimed at the stability of the conditions applicable to the compensation of the Chief Executive Officer and consistency with market practices. However, during its meeting of February 28, 2024, the Board of Directors decided to modify and simplify the performance criteria while increasing the proportion of CSR criteria, in particular those relating to climate change, and providing for more quantitative criteria.

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 28, 2024, 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 granting of this long-term variable compensation as described below, and the levels of performance and the achievement percentages for these criteria.

	Performance	Vesting of a % of the grant with a maximum of 100% over 3 years
1. Net debt/EBITDA (30%) Comparison of the net debt/EBITDA ratio with the budget at the end of the 2024-26 period	Level 1. <2	0%
	Level 2. between 1.5 and 2	0 to 130% Proportionate
	Level 3. <1.5	130%
2. Relative TSR position (30%) TSR (Total Shareholder Return) position relative to IAG, Lufthansa and Easy Jet (2024, 2025, 2026)	Position 4	0%
	Position 3	50%
	Position 2	100%
	Position 1	130%
3. CSR performance targets (20%)		See the evaluation rules below
4. Improvement in the brand image of the airlines (20%) Evaluation realized by independent survey	Level 1. Significant decline	0%
	Level 2. Decline	50% to 100% Proportionate
	Level 3. Stable	100%
	Level 4. Increase	100% to 130% Proportionate

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

	Indicators	Targets
Environment	1. Reduce the well-to-wake jet fuel scope 1 greenhouse gas (GHG) emissions (in tons of CO ₂ eq/per passenger per kilometer)	Target of a -10% reduction by 2025 relative to 2019
Environment	2. Reduce noise hindrance	50% reduction in noise hindrance (Chapter 14)
Employee	3. Reinforce diversity	Attainment of a +1 point target for Air France-KLM in 2026 relative to the 2023 level for women in the top 10% of managers at the highest level of responsibility
Compliance	4. Train the employees in compliance	Maintain an equivalent percentage as in 2023

These criteria are evaluated as follows:

Criteria	Performance	Percentage grant
Identical evaluation of each criterion	Decline in performance	0%
	Stability or improvement but below the target	50% to 100% Proportionate
	Target achieved	100%
	Significantly above the target	100% to 130% Proportionate

The number of performance units granted in 2024 will be calculated with reference to the Air France-KLM opening share price on April 1, 2024. 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, 2021, 2022 and 2023 long-term incentive plans

In 2024, the Chief Executive Officer will continue to benefit from the long-term incentive plans granted in 2018, 2019, 2020, 2021, 2022 and 2023 (granted subject to the condition precedent of the repayment of at least 75% of the State Aid) and 2023 with the option to defer payment of these performance units for a maximum of three years (already exercised for the 2018 plan, the 2019 plans and the 2020 "phantom shares" plan).

For more details on the long-term incentive plans, see section 2.5.2.2 b of the 2023 Universal Registration Document.

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 applicable to all the managerial-level employees in France, a supplementary health insurance and disability scheme, provision of free airline tickets, Group CEO civil liability insurance – D&O) and benefits consistent with the policy applied within the Group for senior executive expatriation and mobility.

f) Supplementary pension plan

The Chief Executive Officer will benefit from a commitment to a supplementary defined-contribution pension plan. It is specified that, since he assumed his functions within the Group in 2018, the Chief Executive Officer has benefited only from a mandatory pension plan.

After analyzing the compensation practices of comparable companies in terms of pension plans, the 2024 compensation policy, approved by the Board of Directors on February 28, 2024, provides that the Chief Executive Officer will benefit from a supplementary pension plan comprising a mandatory defined-contribution pension plan in accordance with Article 83 of the French General Tax Code (*Plan Épargne Retraite Obligatoire* – PERO) and an optional defined-contribution pension plan in accordance with Article 82 of the French General Tax Code, set up as of January 1, 2024.

■ Mandatory defined-contribution pension plan – PERO

The Chief Executive Officer will benefit from the defined-contribution pension plan (Article 83 of the French General Tax Code) set up as of January 1, 2024 to the benefit of the executive officers and the members of the Group Executive Committee.

The components will represent:

- an annual component as outlined hereinafter:
5% of annual gross compensation up to a maximum of 8 times the annual social security ceilings, 100% paid by the Company,
The Chief Executive Officer will benefit from this plan under the same conditions as the other executive officers and members of the Group Executive Committee,
- an extraordinary component to take into account the seniority of the Chief Executive Officer, who has been with the Group since 2018 and has not benefited from a supplementary pension plan to date. The amount of this specific net contribution would be €22,000. It is calculated according to the same rules as those outlined for the annual component of the plan and based on the compensation received by the Chief Executive Officer since he assumed his functions. Since this extraordinary element of compensation constitutes an element of extraordinary compensation, it will only be able to be paid in the event of approval by the Shareholders' Meeting of the elements of compensation granted in respect of the 2024 financial year (ex-post vote) pursuant to Article L. 22-10-34 of the *Code de Commerce*;

■ Optional defined-contribution pension plan

The Chief Executive Officer will benefit from the optional defined-contribution pension plan (Article 82 of the French General Tax Code) set up as of January 1, 2024 to the benefit of the executive officers and the members of the Group Executive Committee.

This plan will provide for the payment by the Company to a third-party body of one third of a contribution equal to 10.5% of the annual gross compensation (fixed and variable) effectively received.

The contributions paid in this regard will not benefit from any preferential social or tax arrangements. For this reason, the Chief Executive Officer will receive a flat-rate allowance equal to the amount of the contribution paid on his behalf to the insurer. This indemnity will be paid at the same time as the contribution to the insurer.

The amounts of the contributions and the flat-rate allowance will depend on the company's performance, insofar as the calculation base will include the variable portion of compensation, which will be linked to the Group's results.

The Chief Executive Officer will benefit from this plan under the same conditions as the other members of the Group Executive Committee with French employment contracts.

g) Adjustment clause in the event of exceptional circumstances

In the event of exceptional circumstances such as a change in accounting standards, a significant change in the consolidation scope, the realization of a transformational transaction, a substantial change in market conditions, or an unforeseen change in the competitive environment with material consequences for the Group that were unforeseeable at the time this compensation policy was approved by the Board of Directors for presentation to the Shareholders' Meeting, the Board of Directors reserves the right to exercise its discretionary power to adjust, either upwards or downwards, one or more of the parameters attached to the performance criteria (weighting, trigger thresholds, objectives, targets, etc.) of the Chief Executive Officer's annual or long-term variable compensation. The purpose of this adjustment clause is to ensure that the results of the application of the aforementioned criteria reflect the performance of both the Chief Executive Officer and the Group.

These adjustments will be decided by the Board of Directors, as recommended by its Remuneration Committee, and will then be made public on the Company's website.

Note that this option differs from the one provided for in Article L22-10-8 III paragraph 2 of the French *Code de Commerce*.

There is no provision for the Board of Directors to depart from the present compensation policy in the event of exceptional events other than those mentioned above.

h) Others

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.