



Air France-KLM European Works Council 2006-2010

**Framework agreement regarding
Airport Ticket Offices (ATO's)**

Bruxelles 26 October 2010

1. AF-KLM EWC's History
2. AF-KLM EWC today
3. Context
4. Organization
5. The Framework Agreement regarding Airport Ticket Offices
6. Conclusion

One group

Two airlines (Air France & KLM) with their own subsidiaries

**Three activities : Passenger Transport, Cargo, Aeronautics
Maintenance**

**71 subsidiaries (55 for AF, 16 for KLM) including : 8 for Passenger
transport, 2 for Cargo, 4 for Maintenance and 57 for other activities
(catering, loyalty program, etc...)**

**Around 104 824 employees in Europe on March 31st 2010, including :
10 029 pilots, 24 629 cabin crew members, 70 166 ground staff, and
distributed as follows :**

AF = 51%

KLM = 22%

All subsidiaries = 27%

1. The European Works Council

History

What was the situation before 2006 ?

- **Air France had its « Comité de Groupe Européen »**
- **KLM had its « Euroform »**

Since february 2006, Air France-KLM had its own EWC for the whole group.

The AF-KLM EWC is presided by the AF-KL CEO, Mr Gourgeon.

Mr Gourgeon delegated to Wim Kooijman, VP Human Resources & Industrial Relations of KLM.

There are 38 members in the EWC elected or appointed under rules or laws of each country. Their mandate is for 4 years.

In 2010, the Protocol has been renewed, followed by new elections of members.

3. The European Works Council

Context

The AF-KLM EWC is ruled by French Law, because AF-KLM registered office is in France.

Local issues aren't in the EWC scope

But

The AF-KLM management wishes to have a real social dialogue with representatives.

The AF-KLM EWC has 2 plenary meetings per year, but 4 were set up in 2009.

In case of exceptional circumstances, an extraordinary meeting may be convened.

For each plenary meeting, members have a full day before and a half day after the meeting to prepare or formulate their questions or advice.

The EWC Select Committee has 5 meetings per year with the AF KL management.

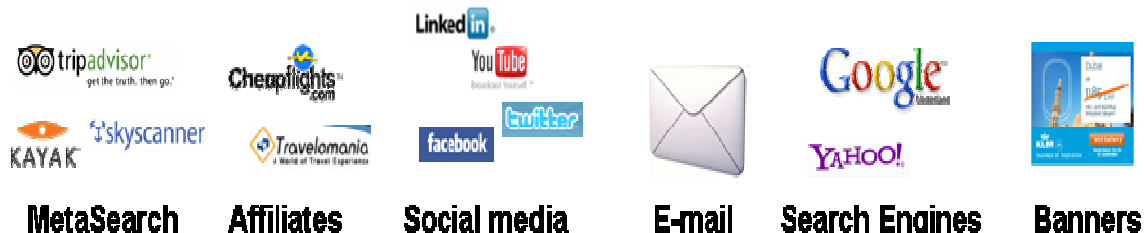
The EWC Select Committee, after agreement with management may set up a working group on specific subjects :

for example : Centralization, Alitalia, Social Indicators, ...

In 2008, the crisis hit the airline industry hard. Air France and KLM's governance and business structures are as such to realize synergies, be preferred by customers and deal with strong competitive forces. Moreover do we need to control costs very closely and protect our cash position to stay economically viable

Moreover was/is Customer behaviour changing

Customers find us via new technology:



**One of the distribution
channels affected being ATO's**

5. The European Works Council ATO Framework agreement

Area Management and the EWC both recognized the need to make a clarifying framework on defining the processes and different roles on ATO studies.

- Is it a local or a strategic European issue?
- Is it led by external forces or due to internal opportunities/preferences?
- How to regard the balance between protecting employment vs employee flexibility to maximise internal redeployment?

Framework agreement was signed by Europe's Area management, the EWC President and the EWC General Secretary, on 31st March 2010, lasting until 1st of April 2012.

Key factors; Trust and Transparency in dealing with studies on ATO and finding solutions for people

It was agreed that local studies on ATO activity and its staff situation are executed under **local management discretion, on predefined, objective parameters**

(eg Evolution of Revenue, Development of new Paid Services Evolution of e-services, Possible impact on operational integrity, Number of staff involved / ease of finding people solutions etc)

Moreover is there a process designed to **monitor the solutions found for staff** who would be affected by changes in an ATO

(eg redeployment, natural leave, training and support in new job, transfer to new provider etc).

Next to this there were some **conditions** stated on sharing information timely, solving discrepancies and what cases would be in or out of scope.

- Rebuild trust between management and EWC
- Limited amount of studies executed
- Clarity on responsibilities and roles of social partners; local legal law and local councils rule
- Of value for management when executing studies
- Of value for staff as transparency is obliged
- Of value for EWC as ability to monitor number of ATO studies pan European (strategic or local)
- Good solutions for people found in line with AFKL “Keeping family together”

ESTABLISHMENT PEOPLE BUSINESS CASE

EWC Monitoring

Solved by

	country	Current AF/KL heads	Target AF/KL heads	HR issue TO BE SOLVED	Vacancy or natural Retirement	Termination of	Redeployment	Early Retirement	Transfer to new Provider	Other	Voluntarily Packages (tbc)	TOTAL HR SOLVED	TOTAL HR UNSOLVED
						Temporary Contracts (CDD)/ external staff MOE							
ATO studies													
London Heatrow	UK	14.0	0.0	14.0			2.0	4.0	5.0	1.0	2.0	14.0	0.0
Hannover	Germany	7.0	0.0	7.0		1.0	4.0				2.0	7.0	0.0