

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, QUEBEC, NOVA SCOTIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF SOCIÉTÉ AIR FRANCE

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, Newfoundland and Labrador, New Brunswick and Prince Edward Island (the "Jurisdictions") has received an application from Société Air France (the "Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the following requirements do not apply to trades made in connection with the proposed offer (the "Offer") by the Applicant for the outstanding common share ("Common Shares") of Koninklijke Luchtvaart Maatschappij N.V. (the "Target"): (i) the formal take-over bid requirements in the Legislation of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, and Newfoundland and Labrador, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to take-over bid, disclosure, financing, restriction upon purchases of securities, identical consideration and collateral benefits (collectively, the "Take-over Bid Requirements"), (ii) the dealer registration requirements in the Legislation of Quebec, New Brunswick and Prince Edward Island (the "Registration Requirements"), and (iii) the prospectus requirements in the Legislation of British Columbia, Quebec, New Brunswick and Prince Edward Island (the "Prospectus Requirements");

AND WHEREAS under the Mutual Reliances Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "Commission") is selected as the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms have the meaning set out in National Instrument 14-101 or in Quebec Commission Notice 14-101;

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. The Applicant is a société anonyme organized under the laws of France. The Applicant's shares are listed for trading on Euronext Paris.

2. The Applicant's registered office is located at 45, rue de Paris 95747 Roissy-CDG Cedex France.
3. The Applicant is not a reporting issuer or the equivalent in any of the Jurisdictions. The Applicant's securities are not listed or quoted for trading on any Canadian stock exchange or market.
4. The Target is a public company organized under the laws of The Netherlands. The Target's registered office is located at Amsterdamseweg 55, 1182 GP Amstelveen, The Netherlands.
5. The Target is not a reporting issuer or equivalent in any of the Jurisdictions. The Target's securities are not listed or quoted for trading on any Canadian stock exchange or market.
6. The Target's issued and outstanding share capital consists of 46,809,699 Common Shares, 1,312.5 priority shares, 8,812,500 cumulative preference shares A and 7,050,000 cumulative preference shares C. The Common Shares are issuable either in registered form, represented by certificates printed in the English language and registered in New York (the "New York Registry Shares") or in bearer form (the "Ordinary Shares").
7. The Target's Ordinary Shares are listed on Euronext Amsterdam and its New York Registry Shares listed on the New York Stock Exchange. Of the 46,809,699 Common Shares, 10,108,215, or approximately 21%, are New York Registry Shares and 36,701,484, or approximately 79%, are Ordinary Shares in the Dutch clearing system.
8. The Applicant currently holds none of the outstanding shares of the Target. The Applicant has entered into agreements to acquire all of the Target's outstanding priority shares and depository receipts representing all of the Target's outstanding preference shares C, as well as, over time and subject to certain conditions, the Target's cumulative preference shares A.
9. On September 30, 2003, the Applicant announced its intention to launch the Offer whereby shareholders of the Target would be invited to tender their (i) Ordinary Shares in exchange for ordinary shares and warrants of the Applicant at a ratio of 11 ordinary shares and 10 warrants of the Applicant for every 10 Ordinary Shares tendered and (ii) New York Registry Shares in exchange for American Depositary Shares and American Depositary Warrants of the Applicant at a ratio of 11 American Depositary Shares and 10 American Depositary Warrants of the Applicant for every 10 New York Registry Shares tendered. Each American Depositary Share represents one ordinary share of the Applicant, and each American Depositary Warrant represents one warrant of the Applicant.
10. The Offer commenced on April 5, 2004, in compliance with the laws of the United States, in particular the U.S. *Securities Act of 1933* and the U.S. *Securities Exchange Act of 1934*, and the applicable rules promulgated thereunder, and the laws of The Netherlands, in particular the Dutch *Act on the Supervision of the Securities Trade 1995* and the Dutch *Decree on the Supervision of the Securities Trade 1995*.

11. On April 5, 2004, the Applicant filed with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form F-4 containing a preliminary prospectus (the "U.S. Prospectus") and a statement on Schedule TO (the "Schedule TO") in connection with the Offer. In addition, the Target filed a solicitation/recommendation statement on Schedule 14D-9 (the "Schedule 14D-9") with the SEC on April 5, 2004. A copy of the U.S. Prospectus, the Schedule 14D-9 and certain auxiliary documentation was mailed to record holders of New York Registry Shares.

12. As of April 5, 2004, the Applicant made available to holders of the Ordinary Shares copies of a prospectus (the "European Prospectus"), identical in substance to the U.S. Prospectus, and an Offer and Listing Document (the "OLD"), both of which were approved by Euronext Amsterdam and in respect of which the Dutch Authority for the Financial Markets had issued a statement of "no further comments". A public announcement in a national Dutch newspaper indicated where and how holders of Ordinary Shares may obtain a copy of the European Prospectus and the OLD free of charge.

13. As of March 24, 2004 there are four registered holders of New York Registry Shares with addresses in Ontario holding an aggregate of 325 shares and one registered holder of New York Registry Shares with an address in Quebec holding 375 shares.

14. As of April 27, 2004 there were 533 beneficial holders of New York Registry Shares with an address in Canada holding an aggregate of 380,715, representing approximately 0.8% of the issued and outstanding Common Shares, who hold shares through participant accounts of The Depository Trust Company.

15. As permitted by Dutch law, the Ordinary Shares are in bearer form, and the Target does not maintain a share register for these shares. Accordingly, any information about the Target's shareholdings in Canada can only be determined on a limited inquiry basis. ABN Amro Bank N.V. ("ABN"), as custodian in the Dutch clearing system for the Ordinary Shares, estimates that shareholders holding Ordinary Shares through its accounts in the Dutch clearing system represent approximately 30-40% of holders of the Ordinary Shares. Of such 30-40%, there are 11 Canadian holders holding an aggregate of 3,460 Ordinary Shares. The Applicant is unable to determine the Jurisdiction in which the Canadian holders of the Ordinary Shares reside.

16. The Applicant's belief, after due inquiry of the Target, is that, as of April 26, 2004, there are approximately 549 shareholders resident in Canada holding in the aggregate 384,875 Common Shares, together representing approximately 0.82% of the Common Shares outstanding.

17. A public announcement in a national Canadian newspaper will specify where and how shareholders may obtain a copy of the material relating to the Offer free of charge.

18. Because the Ordinary Shares are in bearer form and Target therefore does not maintain a share register for all of its Common Shares, the Applicant is unable to determine conclusively the number of holders of the Common Shares resident in each of the Jurisdictions, or the number of Common Shares held by any such person. As a result, the Applicant cannot be certain whether it may rely on the *de minimis* take-over bid exemptions found in certain of the Jurisdictions.

19. The *de minimis* take-over bid exemption is not available to the Applicant in certain of the Jurisdictions as it has more than 50 shareholders in such Jurisdictions.

20. All of the holders of the Common Shares to whom the Offer is made will be treated equally.

21. An exemption from the Registration Requirements is not available in Quebec, New Brunswick and Prince Edward Island for trades made in connection with the Offer.

22. An exemption for the Prospectus Requirements is not available in British Columbia, Quebec, New Brunswick and Prince Edward Island for trades made in connection with the Offer.

23. If the requested relief is not granted, holders of the Common Shares resident in the Jurisdictions will not have the opportunity to participate in the Offer.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

A. in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia and Newfoundland and Labrador, the Applicant is exempt from the Take-over Bid Requirements in making the Offer to the shareholders of the Target who are resident in such Jurisdictions provided that:

(i) the Offer and all amendments to the Offer are made in compliance with the laws of The Netherlands and the United States of America; and

(ii) any material relating to the Offer that is sent to the holders of the Common Shares in the United States of America will be sent to the holders of the Common Shares resident in the Jurisdictions, and copies thereof filed with the Decision Maker in each Jurisdiction;

B. the Registration Requirements shall not apply to trades made in connection with the Offer; and

C. the Prospectus Requirements shall not apply to trades made in connection with the Offer provided that the first trade in shares and warrants issued by the Applicant in connection with the Offer shall be a distribution or primary distribution to the public unless, in all the Jurisdictions other than Quebec, the conditions of subsection (1) of section 2.14 of Multilateral Instrument 45-102 are satisfied, and, in Quebec, the alienation (first trade) of the shares and warrants issued by the Applicant in connection with the Offer are executed through the facilities of an exchange or

market outside Canada.

Dated this 3rd day of May, 2004.

Paul M. Moore

Susan Wolburgh Jenah