



## **Notice convening the Annual General Meeting of SAS AB**

Shareholders in SAS AB (publ) (hereinafter the “*Company*”) are hereby invited to attend the Annual General Meeting on **Tuesday 10 April 2018**. The Annual General Meeting will be held at 10.00 a.m. at the Company’s Head Office, Frösundaviks allé 1, Solna, Sweden. The meeting venue will open at 9.15 a.m. for registration. Registration of participants at the meeting ends when the meeting is called to order.

***Instructions to holders of common shares and/or preference shares registered with Euroclear Sweden AB in Sweden (other than holders of common shares registered with VP Securities A/S, the Danish Central Securities Depository, or with Verdipapirsentralen, the Norwegian Central Securities Depository)***

Shareholders who wish to attend the Annual General Meeting must be registered in the share register of the Company maintained by Euroclear Sweden AB on Wednesday 4 April 2018, and must notify the Company no later than Wednesday 4 April 2018, preferably before 4:00 p.m., through the Company’s website [www.sasgroup.net](http://www.sasgroup.net) (under About SAS/Corporate Governance) or by telephone to +46709971058 on weekdays between 9:00 a.m. and 4:00 p.m. Notification may also be made at the following address: SAS AB (publ), Attn: SAS Investor Relations, Britta Eriksson/STODL, SE-195 87 Stockholm.

Shareholders whose shares are registered in the name of a nominee must temporarily have their shares registered in the shareholder’s own name to be entitled to participate in the Annual General Meeting. This registration process with Euroclear Sweden AB must be completed by Wednesday 4 April 2018. This means that shareholders must notify their nominees in sufficient time prior to this date.

***Instructions to holders of common shares registered with VP Securities A/S in Denmark***

Shareholders of common shares in Denmark who wish to attend the Annual General Meeting must notify VP Investor Services A/S (VP) of this in writing through filling in and signing relevant form to the following address:

Weidekampsgade 14, P.O. 4040, DK-2300 København S, per email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk), per telefax +4543588867 or through VP InvestorPortalen at [www.sasgroup.net](http://www.sasgroup.net) (under About SAS/Corporate Governance) or [www.vp.dk/gf](http://www.vp.dk/gf), by 3:00 p.m. on Tuesday 3 April 2018.

The following rules also apply to participation. Shareholders who wish to attend the Annual General Meeting must be registered in the share register of the Company maintained by Euroclear Sweden AB by Wednesday 4 April 2018. Accordingly, shareholders whose common shares are registered with VP Securities A/S in Denmark must request that VP temporarily registers the common shares in the shareholder’s own name with Euroclear Sweden AB to be entitled to participate in the Annual General Meeting.

A request for such registration along with a notification of attendance at the Annual General Meeting must be submitted in sufficient time and no later than 3:00 p.m. on Tuesday 3 April 2018 to VP through Internet as set out above or at the address above. Forms for notification of attendance and proxy forms are provided by VP and are available at [www.sasgroup.net](http://www.sasgroup.net) (under “About SAS/Corporate Governance”) and will also be sent out to registered shareholders who have notified their email address to the Company. The registration application should include the account operating institution in Denmark (with the custody account number) with which the shareholder’s common shares are deposited.

Shareholders whose common shares are already registered in the name of the owner with Euroclear Sweden AB may send in a notification of attendance to the Company at a later date, but no later than Wednesday 4 April 2018, preferably before 4:00 p.m., in the manner prescribed above.

***Instructions to holders of common shares registered with Verdipapirsentralen (VPS) in Norway***

Shareholders of common shares in Norway who wish to attend the Annual General Meeting

must notify Nordea Bank AB, filial Norge, Securities Services – Issuer Services, of this in writing to P.O. Box 1166 Sentrum, NO-0107, Oslo, Norway, Attn: René Herskedal, by facsimile to +4722369703 or by email to [nis@nordea.com](mailto:nis@nordea.com), by 3:00 p.m. on Tuesday 3 April 2018 at the latest.

The following rules also apply for participation. Shareholders who wish to attend the Annual General Meeting must be registered in the share register of the Company maintained by Euroclear Sweden AB by Wednesday 4 April 2018. Accordingly, shareholders whose common shares are registered with VPS in Norway must request that Nordea Norway temporarily register the common shares in the shareholder's own name with Euroclear Sweden AB to be entitled to participate in the Annual General Meeting.

A request for such registration along with a notification of attendance at the Annual General Meeting must be submitted in sufficient time and no later than 3:00 p.m. on Tuesday 3 April 2018, to Nordea Norway at the address above. Forms for notification of attendance and proxy forms are provided by Nordea Norway and are available at [www.sasgroup.net](http://www.sasgroup.net) (under About SAS/Corporate Governance) and will also be sent out to registered shareholders who have notified their email address to the Company.

Shareholders whose common shares are already registered in the name of the owner with Euroclear Sweden AB may send in a notification of attendance to the Company at a later date, but no later than Wednesday 4 April 2018, preferably before 4:00 p.m, in the manner prescribed above.

***Instructions applicable to all shareholders***

Shareholders with shares registered in more than one country should state this when submitting their notifications. Shareholders or their representatives may be accompanied by no more than two assistants at the Annual General Meeting. Assistants to shareholders will be admitted to the Annual General Meeting only if the shareholder notifies the number of assistants in accordance with the notification instructions provided above for shareholders' participation in each country.

Shareholders represented by proxy must issue a dated written proxy for their representative. If

possible, the proxy should be based on the proxy form provided by the Company. The proxy in original should be sent in sufficient time prior to the Annual General Meeting and no later than Wednesday 4 April 2018, to one of the addresses provided in this notice. Representatives of a legal entity must also submit a certified copy of the registration certificate or equivalent authorising documentation. At the Annual General Meeting, a list is to be prepared of the present shareholders, representatives and assistants with details of the number of shares and votes each shareholder or proxy represents at the Annual General Meeting (voting list). A list of shareholders, proxies and assistants who have submitted notification of their attendance with the stated details (list of participants) will be distributed at the registration for the Annual General Meeting.

***Admission cards for the Annual General Meeting***

Admission cards, to be presented when entering the Annual General Meeting venue, will be sent out around 3-4 April 2018 to all shareholders who have submitted a notification of attendance in accordance with the instructions above.

***Number of shares and votes in the Company***

The Company has at the time of publication of this Notice issued 382,582,551 common shares and 0 subordinate shares, equivalent to a total of 382,582,551 votes. Furthermore, the Company has issued 2,101,552 preference shares corresponding to a total of 210,155.2 votes. No shares are held by the Company itself.

***Proposed agenda***

1. Meeting is called to order.
2. Election of a chairperson for the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to verify the minutes.
6. Determination of whether the meeting has been duly convened.
7. Presentation of the annual accounts and auditors' report as well as the consolidated accounts and consolidated auditors' report.

8. Report on the work of the Board, the Remuneration Committee and the Audit Committee, followed by the CEO's address and in conjunction with this, the opportunity for shareholders to put questions to the Board and Group Management.
9. Resolutions on:
  - a. the approval of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet,
  - b. the dispositions of the Company's earnings in accordance with the approved balance sheet, and
  - c. discharge from liability for the Board members and the CEO.
10. Resolutions on:
  - a) the number of Board members,
  - b) remuneration for Board members, and
  - c) remuneration for the auditor.
11. Election of Board members and Chairman of the Board.
12. Election of auditor.
13. Resolution on the Nomination Committee and the Instruction for the Nomination Committee.
14. Resolution on the Board's proposed guidelines for remuneration of senior executives.
15. Meeting is adjourned.

#### **PROPOSALS FOR RESOLUTIONS**

##### ***The Board's proposal on a dividend and the record date (Item 9b)***

The Board proposes that no dividend be paid to SAS AB's common shareholders for the financial year 1 November 2016 – 31 October 2017.

The Board further proposes a dividend on preference shares. The Board proposes that the dividend shall be paid on a quarterly basis at SEK 12.50 per preference share, although not higher than SEK 50 in total per preference share.

The following dates are proposed as record dates for the quarterly payments on preference

shares: 4 May 2018, 3 August 2018, 5 November 2018 and 5 February 2019. Payment from Euroclear Sweden AB is expected to take place on 9 May 2018, 8 August 2018, 8 November 2018 and 8 February 2019.

##### ***The Nomination Committee's proposals regarding General Meeting Chairman, Board, Auditor, Remuneration, Nomination Committee, etc. (items 2, 10 a-c, 11, 12 and 13)***

The Nomination Committee, which consists of Carl Rosén, Ministry of Enterprise, Energy and Communications for the Swedish government (Chairman); Peder Lundquist, Ministry of Finance, for the Danish government; Jan Tore Føsund, Ministry of Trade, Industry and Fisheries, for the Norwegian government and Peter Wallenberg Jr., for the Knut and Alice Wallenberg Foundation, makes the following proposals:

##### Election of Chairman for the General Meeting Attorney-at-law Andreas Steen.

Resolution on the number of Board members  
The number of Board members elected by the Annual General Meeting shall consist of seven Board members, with no deputies.

##### Resolution on remuneration to Board members

It is proposed that the fees for the period until the end of the next Annual General Meeting revert to the remuneration levels applicable prior to the Board members' decision to reduce the fees in November 2012, and shall therefore amount to SEK 585,000 for the Chairman of the Board and, if any, SEK 390,000 for the First Vice Chairman and the Second Vice Chairman respectively, and SEK 295,000 for each of the other Board members elected by the Annual General Meeting and ordinary employee representatives.

It is also proposed that each deputy for ordinary employee representatives receive a study fee of SEK 1,000 per Board meeting and an attendance fee of SEK 3,500 for each Board meeting they attend.

In addition to this remuneration, it is proposed that remuneration be paid for work on the Board Remuneration Committee shall amount to SEK 75,000 for the Remuneration

Committee Chairman and SEK 25,000 each for the Remuneration Committee's other members, as well as for work on the Board's Audit Committee, in the amount of SEK 95,000 for the Audit Committee Chairman and SEK 45,000 for each of the Audit Committee's other members.

Resolution on remuneration to the Company's auditor

The fees for the Company's auditor shall be paid in accordance with approved invoice.

Election of Board members and Chairman of the Board

It is proposed to re-elect the current five Board members Dag Mejdell, Monica Caneman, Carsten Dilling, Lars-Johan Jarnheimer and Sanna Suvanto-Harsaae, and to elect Liv Fiksdahl and Oscar Stege Unger as new Board members.

Furthermore, it is proposed that Carsten Dilling be elected as Chairman of the Board.

Liv Fiksdahl, born 1965, educated at Trondheim Business School, most recently responsible for IT and Operations at Den Norske Bank (DNB) and previous experience from board assignments within the financial sector.

Oscar Stege Unger, born 1975, is Director at Wallenberg Foundations AB and previously with Investor AB, most recently as Head of Communications.

Election of Auditor

It is proposed to re-elect PricewaterhouseCoopers AB as auditor, in accordance with the Audit Committee's recommendation.

Resolution on the Nomination Committee

It is proposed that the Annual General Meeting resolve that a Nomination Committee be elected that is tasked in accordance with the proposal for Instruction for the Nomination Committee.

The Nomination Committee shall comprise four members.

The Nomination Committee shall comprise the following shareholder representatives: Carl Rosén, Ministry of Enterprise, Energy and Communications for the Swedish government;

Peder Lundquist, Ministry of Finance, for the Danish government; Jan Tore Føsund, Ministry of Trade, Industry and Fisheries, for the Norwegian government and Peter Wallenberg Jr., for the Knut and Alice Wallenberg Foundation.

It is furthermore proposed that the Annual General Meeting adopts instructions for the Nomination Committee, including provisions regarding election of Chairman of the Nomination Committee, replacement of members during their terms of office and replacement of shareholder representative owing to a substantial reduction in shareholding, and other provisions concerning the Nomination Committee's composition and work to apply for the Nomination Committee appointed by the Annual General Meeting and for its mission until the end of the next Annual General Meeting. The instruction is consistent with the current instruction for the Nomination Committee with the following proposed addition to § 5 of the instruction: "The Chairman of the Board shall be invited to attend the Nomination Committee meetings when necessary."

***Proposal from the shareholder Dagmar Sørensen Holding ApS, a company controlled by Fritz Schur (item 13)***

In order to improve coordination between the Board and the Nomination Committee, Dagmar Sørensen Holding ApS, a company controlled by Fritz Schur, proposes that the Annual General Meeting resolves that the Nomination Committee shall comprise five members and that the Chairman of the Board shall be a member of the Nomination Committee (in addition to the four shareholder representatives as set out in the proposal by the Nomination Committee). Furthermore, it is proposed that the Instruction for the Nomination Committee shall be amended so that the first sentence in § 5 is removed and that the first sentence in § 3 is amended to read as follows: "The Nomination Committee shall be representative of the shareholder structure and comprise, in addition to the Chairman of the Board, members nominated by a representative number and selection of the largest shareholders in the Company in terms of votes in a manner decided by the Annual General Shareholders' Meeting." The Instruction shall otherwise remain unchanged in relation to the current Instruction.

A unanimous Board supports this proposal.

***The Board's proposed guidelines for remuneration of senior executives (item 14)***

The Board of Directors proposes guidelines for the determination of salaries and other remuneration of senior executives with the following principal content. Senior executives comprise the CEO and other members of Group Management.

The guidelines shall be applied for employment agreements entered into after the Annual General Meeting 2018 and for changes made to existing employment agreements thereafter.

The proposed guidelines remain substantially unchanged in relation to the remuneration guidelines adopted by the Annual General Meeting 2017.

***Salaries and other benefits***

The total salary for senior executives shall comprise a fixed annual base salary. The fixed salary shall reflect the demands of the position with respect to qualifications, responsibilities, complexity and the manner in which it serves to reach business objectives. The fixed salary shall also reflect the performance attained by the senior executive and thus be individual and differentiated.

Other benefits, such as a company car and health insurance, are to be market-based and comprise only a limited portion of the total remuneration.

***Pension***

Pension benefits shall be defined contribution based and premiums shall not exceed 30 percent of fixed annual salary.

***Conditions regarding termination of employment***

The notice period for the CEO and other members of Group Management is six months if the employee resigns. A notice period of a maximum of 12 months applies if the company terminates the employment. In the event of termination of employment by the company and, in certain specific cases, by the senior executive, severance pay shall be paid in an amount corresponding to a maximum of one year's fixed salary, with full deduction if the senior executive receives remuneration from a new position or assignment.

***Departures***

The Board of Directors may depart from these guidelines, if there are special reasons to do so in a specific case.

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The Company's annual accounts, auditor's report, consolidated accounts and consolidated auditor's report, the complete proposals and required Board statements in accordance with above, the auditor's statement on the guidelines for remuneration for senior executives in the 2016/2017 financial year and proxy forms will be available at the Company and on the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under About SAS/Corporate Governance) not later than from 20 March 2018. The documents will be sent to shareholders who so request at the Company's address SAS AB (publ), SAS Investor Relations, Attn. Britta Eriksson/STODL, SE-195 87 Stockholm, stating their address. The documents will also be available at the Annual General Meeting venue before the meeting is called to order.

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If a shareholder so requests, and if the Board determines it can be made without significant harm to the Company, at the Annual General Meeting, the Board and the CEO shall provide information on circumstances that may affect the assessment of an agenda item and/or the Company's financial situation. The same applies to the consolidated group accounts and other group companies.

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The notice of this Annual General Meeting, including a proxy form will be distributed by e-mail to all registered shareholders who have notified their e-mail address to the Company. The notice will also be held available at the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under About SAS/Corporate Governance). The notice will further be sent by regular mail free of charge to shareholders who so request at the Company's address SAS AB (publ), SAS Investor Relations, Attn. Britta Eriksson/STODL, SE-195 87 Stockholm, stating their address.

SAS AB  
*The Board of Directors*