

## ANNUAL GENERAL SHAREHOLDERS' MEETING AT SAS AB, APRIL 10, 2018

The Nomination Committee's reasoned statement delivered pursuant to Rule 2.6 of the Swedish Corporate Governance Code (the Code).

The Annual General Shareholders' Meeting (AGM) on February 22, 2017 resolved that the Nomination Committee of SAS AB was to comprise Carl Rosén, Swedish Ministry of Finance, for the Swedish government, Rasmus Lønborg, Danish Ministry of Finance, for the Danish government, Jan Tore Fønsund, Norwegian Ministry of Trade, Industry and Fisheries, for the Norwegian government, and Peter Wallenberg Jr. for the Knut and Alice Wallenberg Foundation. In August 2017, Rasmus Lønborg was replaced by Peder Lundquist, Danish Ministry of Finance, as the representative of the Danish state on the Nomination Committee.

The Nomination Committee has been tasked with preparing proposals for resolution by the AGM on:

- the election of the Chairman of the AGM;
- the number of Board members;
- the election of Board members and the Chairman of the Board;
- Directors' fees (broken down among the Chairman, Vice Chairman, other Board members and any remuneration for work on Board committees);
- the election of the company's auditors;
- auditors' fees; and
- the Nomination Committee ahead of the 2017 AGM.

In preparing the nominations for the Board, the Committee evaluated the Board's work, qualifications and composition. This evaluation was used by the Committee to assess how the current Board meets the requirements that will be placed on the Board as a result of the company's circumstances and future direction as well as any skills that should possibly be added to the Board.

The Nomination Committee has also conducted dialogue with the Chairman of the Board. In preparing the nominations, the Committee also interviewed all other members of the Board. The Committee also met with the company's President and CEO, who presented the company's position and operations as well as his perception of collaboration with the Board.

SAS AB operates in a market subject to significant pressure for change and intense competition. Market capacity has once again increased since the autumn of 2017, while the Scandinavian air travel market is growing and demand for more long-haul routes and leisure routes within Europe is increasing. SAS has implemented extensive efficiency enhancements over the past few years, which have resulted in reduced costs and a more variable cost base. During the past fiscal year, our ambition has increased and efficiency enhancement measure have been doubled to SEK 3 billion, with effect during the 2017–2020 period. Change efforts have yielded results and SAS was profitable during the

2016/2017 fiscal year. Even if the improvement is commendable and SAS generated a return on capital invested over the past year that exceeded the goal, the company cannot rest on its laurels. The business world around us is changing, and our competitors are not standing still but continually enhancing the efficiency of their operations. For SAS to take part in the growth in the Scandinavian market, to invest in new and more efficient aircraft, and to continue creating shareholder value therefore requires that current efficiency enhancement measures be fully implemented and that SAS begins to look at what will be required after 2020 in the form of additional efficiency measures.

Given the above conditions, and given Chairman of the Board Fritz Schur's and Vice Chairman Jacob Wallenberg's decisions not to stand for reelection at this AGM, the Nomination Committee is of the opinion that continuity on the rest of the Board is of particular importance. The Board currently possesses substantial leadership experience of change management, broad competence in customer and consumer issues, and digitalization as well as extensive experience of work with strategic business development. With its experience of SAS and previous action programs, the Nomination Committee is of the opinion that the proposed Board is particularly suited to provide the company's management the necessary support in the ongoing change process.

With Carsten Dilling as Chairman, SAS is gaining clear industrial leadership while his four years as a regular Board member ensures in-depth knowledge of the company. Berit Svendsen has declined reelection as a Board member. The Nomination Committee has been looking for new members with both broad digital competence and in-depth knowledge of ownership and financing issues. Liv Fiksdahl and Oscar Stege Unger meet those requirements, and are thereby nominated.

The Committee applies Rule 4.1 of the Code as its Diversity Policy and believes that the Code's requirements for diversity, breadth and an even gender balance will be met through the Committee's proposals.

The Nomination Committee therefore proposes reelection of the five current Board members – Dag Mejdell, Monica Caneman, Carsten Dilling, Lars-Johan Jarnheimer and Sanna Suvanto-Harsaae, and the election of Liv Fiksdahl and Oscar Stege Unger as new Board members.

Current Board member Carsten Dilling is proposed as the new Chairman of the Board.

The Nomination Committee deems that all proposed Board members are independent of the company and company management. It is the Committee's opinion that all current and proposed members are independent in relation to major shareholders.



**CARSTEN DILLING**  
BORN 1962

Member of the Board of SAS AB since 2014.

**Directorships:** Chairman of NNIT A/S and Icotera A/S, and Board member of Terma A/S.

**Education:** B.Sc. and M.Sc. in Economics and Business Administration, Copenhagen Business School.

**Earlier directorships/positions:** Board member of Get AS, Traen A/S (Chairman), Gatetrade A/S, Columbus IT Partner A/S, Confederation of Danish Industry (DI) and Industrial Employers in Copenhagen (IAK) and a number of Board assignments for the TDC Group. Previously President and CEO of TDC A/S.

**Shareholding:** 0.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**SANNA SUVANTO-HARSAAE**  
BORN 1966

Member of the Board of SAS AB since 2013.

**Directorships:** Chairman of Altia Oyj, Babysam A/S, Best VPG Holding A/S, BeConcept Holding A/S, Sunset Boulevard A/S, TCM Group A/S, Workz A/S, BoConcept AS and Footway AB. Vice Chairman of Paulig Oj. Board member of Broman group Oyj, CEPOS and Upplands Motor AB.

**Education:** M.Sc. in Business and Economics, Lund University.

**Earlier directorships/positions:** Chairman of Health and Fitness Nordic AB and BTX AS. Board member of Jetpak AB, Duni AB, Candyking AB, CCS AB, Clas Ohlson AB and Symrise AG.

**Shareholding:** 0.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**MONICA CANEMAN**  
BORN 1954

Member of the Board of SAS AB since 2010.

**Directorships:** Chairman of Bravida Holding AB. Board member of Comhem AB and Nets AB.

**Education:** MBA, Stockholm School of Economics.

**Earlier directorships/positions:** Chairman of Allenex AB, Arion Bank hf, Big Ba AB, EDT AS, the Fourth Swedish Pension Fund, Frösunda LSS AB, Interverbung AB and Viva Media Group AB. Board member of Akademikliniken AB, Citymail Group AB, EDB Business Partner ASA, Intermail A/S, Lindorff Group AB, My Safety AB, Nordisk Energiförvaltning ASA, Nya Livförsäkrings AB, Nocom AB, Resco AB, Schibsted ASA, SEB Trygg Liv, Svenska Dagbladet AB and XponCard Group AB.

**Shareholding:** 4,000 common shares.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**OSCAR STEGE UNGER**  
BORN 1975

**PROPOSED NEW BOARD MEMBER**

**Directorship/position:** Director of Wallenberg Foundations AB

**Education:** Master of Science in Business Administration and Bachelor of Science in Economics at Stockholm University.

**Earlier directorships/positions:** Head of Investor Relations, and thereafter Head of Communications, at Investor AB.

**Shareholding:** 0 common shares.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**LARS-JOHAN JARNHEIMER**  
BORN 1960

Member of the Board of SAS AB since 2013.

**Directorships:** Chairman of Qliro-Group, Arvid Nordqvist HAB and Ingka Holding B.V (IKEA's parent company). Board member of Egmont International Holding AS, Wonderboo AB and Elite Hotels.

**Education:** B.Sc. in Business Administration and Economics, Lund and Växjö universities.

**Earlier directorships/positions:** Chairman of BRIS and Eniro AB. Board member of MTG Modern Times Group AB, Millicom International Cellular S.A, Invik and Apoteket AB. President and CEO of Tele2.

**Shareholding:** 10,000 common shares, 2,520 preference shares.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**LIV FIKSDAHL**  
BORN 1965

**PROPOSED NEW BOARD MEMBER**

**Directorship/position:** No external positions

**Education:** Finance and management at Trondheim Business School.

**Earlier directorships/positions:** Head of IT and Operations at DnB, and other previous leading positions in DnB. Chairman of the Board of the industry organization Banking and Payment in Finance Norway. Vice Chairman of the Norwegian Savings Banks Association. Board member of BankAxept and Doorstep.

**Shareholding:** 0.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*



**DAG MEJDELL**  
BORN 1957

Second Vice Chairman of the Board of SAS AB since 2008.

**Directorships:** Chairman of Norsk Hydro ASA, Sparebank 1 SR Bank ASA, NSB AS, International Post Corporation and Telecomputing.

**Education:** MBA, Norwegian School of Economics and Business Administration.

**Earlier directorships/positions:** President and CEO of Dyno Nobel ASA and CEO of Posten Norge AS. Chairman of Arbeidsgiverforeningen Spekter, Svenska Handelsbanken, Region Norway and Vice Chairman of Evry ASA. Board member of DYWIDAG System International GmbH. Industrial advisor IK investment Partners.

**Shareholding:** 4,214 common shares.

**Shareholding of related parties:** 0.

*Independent of the company, the company management and the company's major shareholders.*