

Corporate Governance Report

Corporate governance in the SAS Group is based on Swedish legislation, primarily the Swedish Companies Act, the Swedish Code of Corporate Governance and the listing agreement with the Stockholm Stock Exchange as well as other applicable rules and recommendations issued by relevant organizations.

The SAS Group follows developments in the area of corporate governance, adapting its principles for corporate governance to create value for shareholders and other stakeholders through the adequate dissemination of information to shareholders, real shareholder influence and effective management and Board work.

Swedish Code of Corporate Governance

The Swedish Code of Corporate Governance (the "Code") was introduced on December 16, 2004. Pursuant to the Stockholm Stock Exchange listing requirements, listed companies on the A List and larger companies on the O List must apply the Code as of July 1, 2005.

SAS AB, whose shares are listed on the Stockholm Stock Exchange A List, is thus covered by the requirement to apply the Code. In 2005, SAS gradually implemented the provisions of the Code that had not previously been applied by SAS within the framework of the company's current corporate governance principles.

The Code prescribes that a special report on corporate governance issues be added to the company's annual report, stating that the Code is being applied by the company and clearly describing how the company applied the Code during the most recent fiscal year. In the report the company shall state which rules in the Code it departed from and clearly account for each departure.

This report, which has been prepared in

accordance with the provisions of the Code, constitutes the SAS Group's corporate governance report for the 2005 fiscal year. The report has not been examined by the company's auditors.

Application of the Code

The SAS Group applies the Code. During the year SAS followed the Code apart from the following instances :

- Clause 3.7.2 of the Code states that the board is to report how that part of internal control dealing with financial reporting is organized and how well it functioned during the most recent fiscal year. In this area the Board has decided for 2005 to follow the Code only in part, by issuing an internal control report that does not contain a statement on how well internal control functioned. The reason for the Board's decision is the ongoing work in the company to formalize these processes and the part of internal control dealing with financial reporting so that next year it can give the Board better data for making a formal statement on how well internal control functioned. The Board's position in this regard is supported by the statements from the Council for Swedish Corporate Governance, which deems it adequate if companies restrict their internal control report for 2005 to a description of how their internal control is organized without making any statement on how well it functioned.

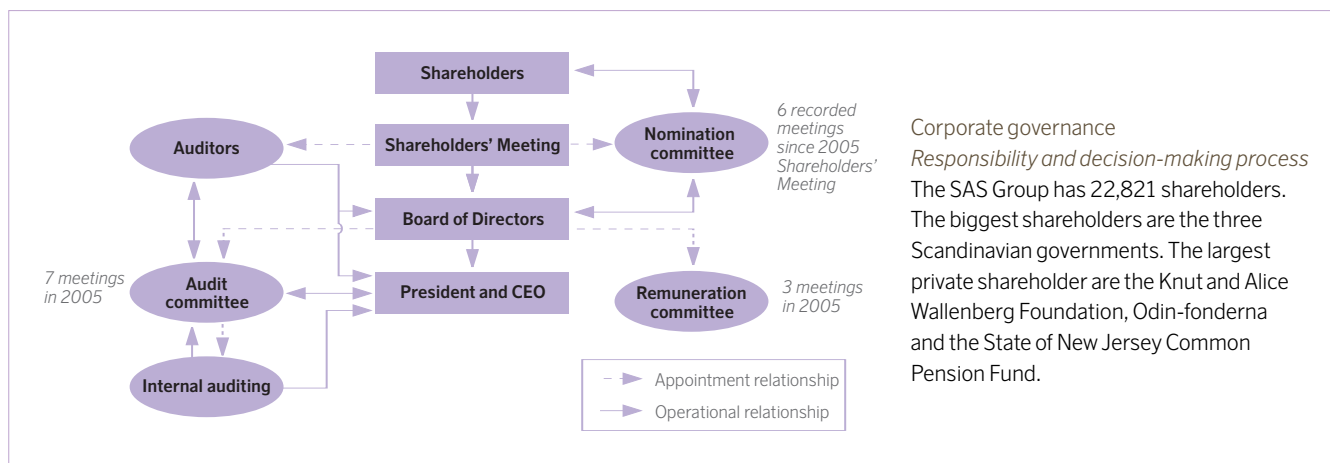
The report issued by the board on the part of internal control dealing with financial reporting shall, pursuant to the Code, be examined by SAS's auditors. Such an examination has not taken place. The reason is that the company's auditors, supported by a statement by FAR, did not

regard it as consistent with generally accepted accounting principles and professional ethics to perform such an examination regarding the 2005 fiscal year, since the requisite criteria for carrying out such an investigation are lacking.

- Pursuant to the Code, the shareholders' meeting shall be held in Swedish and the materials presented shall be in Swedish. Meeting deliberations are held primarily in Swedish, but contributions and speeches are regularly made at the meeting in Norwegian and Danish. Also some material presented at the Shareholders' Meeting of SAS AB is in Danish and Norwegian. Pursuant to provisions of the Articles of Association for SAS AB, the language of the Shareholders' Meeting shall be Swedish, Danish or Norwegian, and, if the Board so decides, even another language. The reason for this provision of the articles of association is the SAS Group's strong Scandinavian character with the largest number of shareholders in Denmark and Norway, a management and Board comprising persons from all three Scandinavian countries and a system for remote attendance of the Shareholders' Meeting from Copenhagen and Oslo. In view of this and since the experience from the current arrangement is overwhelmingly positive, in the Board's view any one of the Scandinavian languages may be freely used at company Shareholders' Meetings. Bearing in mind the Scandinavian languages' great similarity, the Board has not seen any reason for simultaneous interpreting.

Shareholders' meeting

Pursuant to the Companies Act, the shareholders' meeting is the company's supreme decision-making body. At the shareholders'



Corporate governance
Responsibility and decision-making process
The SAS Group has 22,821 shareholders. The biggest shareholders are the three Scandinavian governments. The largest private shareholder are the Knut and Alice Wallenberg Foundation, Odin-fonderna and the State of New Jersey Common Pension Fund.

meeting shareholders exercise their voting rights. At the Shareholders' Meeting of SAS AB, one share is equal to one vote.

All shareholders who are recorded in the share register and have given notice of their attendance have a right to attend the meeting and vote their total holding of shares.

The Annual General Shareholders' Meeting shall be held within six months from the end of the fiscal year. The meeting, usually held in April, decides on, among other things, the adoption of the company's annual accounts, the application of the company's profit or coverage of its loss and discharging the members of the Board and the President from liability. The Annual General Shareholders' Meeting also elects Board members, members of the company's nomination committee and auditors and decides on directors' and audit fees.

The Shareholders' Meeting is held in Stockholm, where the Board is domiciled, or in Solna, where company headquarters are located. According to a provision in the company's articles of association, shareholders can also attend the Shareholders' Meeting from locations in Copenhagen and Oslo via remote audio-video hookup. Shareholders attending the Shareholders' Meeting from Copenhagen and Oslo have the same rights, including voting rights, as shareholders attending in Stockholm. Notices of the Shareholders' Meeting are always published in a number of daily newspapers in Denmark, Norway and Sweden and are announced in press releases and published on the company's website. The company sends notices to those shareholders whose addresses are known to it. Decisions made at the Shareholders' Meeting are published immediately after the meeting in a press release. The minutes of the Shareholders' Meeting are published on the company's website.

In 2005 the Shareholders' Meeting was held in April 13, 2005.

Nomination committee

According to the Articles of Association of SAS AB, the election of a nomination committee shall take place at the Annual General Shareholders' Meeting. The nomination committee is to reflect the shareholder composition in the company and has the aim of helping to elect a Board of Directors that is suitable and representative of the shareholders and in other respects lay a proper foundation for the Annual General Shareholders' Meeting's discussion and decisions on various issues that the meeting decides that the nomination committee is to prepare for each year.

The 2005 Shareholders' Meeting decided to elect as members of the nominating committee for the period up until the 2006 Annual General Shareholders' Meeting Jacob Heinsen, Danish Ministry of Finance; Rune Selmar, Norwegian National Insurance Scheme Fund; Palle Olsen, Pen-Sam Liv Forsikringsselskab; Pia Rudengren, Knut and Alice Wallenberg Foundation; Reier Sjøberg, Norwegian Ministry of Trade and Industry; Jarl Ulvin, Odin Forvaltning, and Eva Halvarsson, Swedish Ministry of Industry, Employment and Communications. The Shareholders' Meeting's decisions also covered rules on the nomination committee's work methods and procedure for appointing replacements for members who resign before the 2006 Annual General Shareholders' Meeting. Eva Halvarsson was elected chairman of the nomination committee.

In autumn 2005 the following changes took place in the composition of the nomination committee:

- Pia Rudengren was replaced by Mathias Pedersen, Knut and Alice Wallenberg Foundation,
- Rune Selmar was replaced by Lars Tronsgaard, National Insurance Scheme Fund,
- Eva Halvarsson was replaced by Jonas Iversen, Swedish Ministry of Industry, Employment and Communications, who was also elected nomination committee chairman.

Information on the nomination committee's original composition and subsequent changes was publicized in press releases and on the company website.

The nomination committee is to make recommendations as specified below to be decided at the 2006 Annual General Shareholders' Meeting:

- Chairman of the Annual General Shareholders' Meeting,
- Number of Board members,
- Board members and Chairman,
- Directors' fees, divided among the Chairman, Vice Chairman, other members and any remuneration for work on Board committees,
- Audit fee,
- Nomination committee for 2007 Annual General Shareholders' Meeting.

As a part of nominating work the nomination committee evaluates the Board's work, qualifications and composition. The Chairman has attended some of the nomination committee's meetings and at them reported the result of the Board's own evaluation of its work. Up until the end of February, the nomination committee has held six recorded meetings since it was elected at the Shareholders' Meeting on April 13, 2005.

The nomination committee's recommendations will be published in the notice of the Annual General Shareholders' Meeting and on the company website and be presented and commented on at the 2006 Annual General Shareholders' Meeting.

Members did not receive any fees or other remuneration for their work on the nomination committee.

Board of Directors

At the 2005 Annual General Shareholders' Meeting, seven Board members were elected. The Board also comprises three members, each with two personal deputies elected by the SAS Group's employee groups in Denmark, Norway and Sweden according to a special agreement. Deputies attend Board meetings only in the absence of an ordinary member. Except for employee representatives, no Board member is employed by SAS AB or any other company in the SAS Group.

The members and composition of the Board appear on page 6.

As page 6 makes clear, SAS AB meets the standards that the Stockholm Stock Exchange Listing Requirements and Code set regarding the Board's independence vis-à-vis the company, company management and the company's major shareholders.

The Board's work is governed by the Swedish Companies Act, the Articles of Association, the Code and the formal work plan adopted by the Board each year. In addition to issues like the number of Board meetings, the times and content of Board dispatches, recording minutes, secrecy, etc., the work plan describes the division of the work of the Board between the Board and its committees and among the Board, its Chairman and the President. The work plan also contains provisions for meeting the Board's needs for information and financial reporting on an ongoing basis and instructions for the President and the company's Board committees.

According to the Board's formal work plan the Chairman, in close collaboration with the President, is to monitor the company's performance, plan and chair Board meetings, be responsible for the Board evaluating its work each year, scrutinize his own work routines and see to it that the Board always receives the information necessary to do its work effectively. The Chairman represents the company in ownership matters.

Among the duties of the Board of Directors are setting the overarching objectives and strategies of the SAS Group, adopting a budget and business plan, discussing and approving the year-end and interim reports, setting important policies and regulations,

following economic developments, ensuring the quality of financial reporting and internal control and deciding on investments and major changes in the organization and activities of the SAS Group.

In 2005 the Board had 11 meetings, including the statutory meeting. In addition, one meeting was held per capsulam (by correspondence). The attendance of Board members at Board meetings in 2005 appears in the table below.

The work of the Board during the year followed a yearly agenda with permanent items for information and deciding on as well as special topics. Each meeting followed an approved agenda, and proposed agendas and support documentation were sent to the Board prior to each Board meeting. The President and other senior executives also attended Board meetings to make presentations, and the General Counsel of the SAS Group served as the Board's secretary.

At these meetings the Board discussed the regular business items presented at the respective meetings, such as business and market conditions, financial reporting and follow-up, the company's financial position and investments. The Board also discussed sustainability-related material of material importance and the quarterly changes in sick leave. The Board studied the annual Sustainability Report. Additionally, at various meetings the Board discussed matters and topics involving flight safety work, internal control, evaluation of Board work, the year-end report, interim reports, strategy and the business plan and the budget. During the year the Board paid visits to one the Group's larger subsidiaries and also heard detailed presentations of the operations of three of the four airlines in Scandinavian Airlines Businesses.

Special topics discussed by the Board in 2005 included the SAS Group's earnings improvement program (Turnaround 2005), the ongoing cost-reduction and efficiency-improvement work, the transaction with Carlson Group regarding the ownership and

partnership in Rezidor SAS Hospitality, the issuance of business ethics rules and guidelines for the SAS Group, the commercial ventures in the form of Nya Inrikesflyget in Sweden and a new product for Europe, the sale of the subsidiaries SAS Component, Jetpak and European Aeronautical Group and the implementation of the Swedish Code of Corporate Governance and new rules on insider trading.

The Chairman and other Board members are remunerated for Board work in accordance with decisions made at the Shareholders' Meeting, see page 66 in the Annual Report.

Board committees

As part of streamlining and enhancing the work of the Board on certain issues there are two committees. The Board appoints a remuneration committee and an audit committee from among its own members. The main duty of the committees is to prepare business for the Board's decision. These committees, whose work is thus of a preparatory in nature, imply no delegation of the legal liability of the Board or its members. Reports to the Board on issues discussed at the committees' meetings is either in writing or given orally at the following Board meeting. The work of each committee follows written instructions and a work plan stipulated by the Board. The General Counsel of the SAS Group serves as the secretary to the committees. Minutes of committee meetings are provided to all Board members.

No remuneration was paid for work on Board committees in 2005.

Remuneration committee

In 2005 the Board's remuneration committee consisted of Egil Myklebust (committee chairman), Jacob Wallenberg and Fritz H. Schur. Its main task was to make recommendations for Board approval regarding the terms of the President's salary, employment and pension and deal with issues related to the SAS Group's overall remunera-

tion policies for senior executives. In 2005 the committee had three recorded meetings and a number of informal contacts.

The members of the committee attended all the meetings. All members are independent of the company, company management and major shareholders.

In 2005 the committee made recommendations to the Board on the President's salary and other terms of employment and overall remuneration policies and other terms for other members of Group Management. The committee also evaluated and prepared for decision the target contract for the President, the President's fulfillment of his target contract and discussed general issues regarding guidelines and remuneration policies and incentive programs for senior executives at SAS, including issues regarding a possible introduction of a long-term incentive program.

Prior to the 2006 Annual General Shareholders' Meeting, the committee will prepare the recommendation for remuneration policies and other terms of employment for company management that pursuant to the Code the Board shall present to the Annual General Shareholders' Meeting for approval.

Audit committee

In autumn 2003 the Board decided to set up an audit committee, which began its work in 2004. The members of the committee in 2005 were Egil Myklebust (committee chairman), Anitra Steen and Lars R. Sørensen.

The committee's chief task is to support the Board in monitoring and assessing the internal and external auditing process, be responsible for preparing the Board's work on quality assuring the company's financial reporting, meet regularly with the company's auditor, study and evaluate reports from the external auditors and assess whether the routines for internal control, internal auditing and reporting are tailored to the needs of the SAS Group. The committee shall also scrutinize the auditors' independence vis-à-vis

Board members' attendance at Board meetings in 2005

	Feb 9	Mar 8	Apr 13	Apr 13*	May 2	Jun 16-17	Aug 16	Oct 13	Nov 7	Nov 14-15	Dec 15
Egil Myklebust	■	■	■	■	■	■	■	■	■	■	■
Jacob Wallenberg	■	■	■	■	■	■	■	■	■	■	■
Berit Kjell	■	■	■	■	■	■	■	■	■	■	■
Timo Peltola (from Apr 13)	-	-	-	■	■	■	■	■	■	■	■
Fritz H. Schur	■	■	■	■	■	■	■	■	■	■	■
Anitra Steen	■	■	■	■	■	■	■	■	■	■	■
Lars Rebien Sørensen	■	■	■	■	■	■	■	■	■	■	■
Verner L. Jensen (from Apr 13)	-	-	-	■	■	■	■	■	■	■	■
Ulla Grøntvedt	■	■	■	■	■	■	■	■	■	■	■
Olov H. Lie (from Nov 14-15)	-	-	-	-	-	-	-	-	-	-	-
Nicolas E. Fischer (to Apr 13)	■	■	■	■	■	■	■	■	■	■	■
John Lyng (to Nov 7)	■	■	■	■	■	■	■	■	■	-	-

■ Present ■ Absent * Statutory Board meeting

the company, including the extent of the auditors' non-audit-related engagements for the company. A further task of the committee is to evaluate the efforts of the auditors and inform the nomination committee of the result and in other respects assist the nomination committee by drafting recommendations for the election of auditors and fees for their efforts.

In 2005 the committee had seven recorded meetings. Myklebust and Steen attended all of them, while Sørensen attended five. Besides the committee secretary, the SAS Group CEO and CFO, the company's auditors and, depending on the nature of the business, the head of internal auditing attended meetings of the committee.

The requirements of the Code regarding the number of members of the audit committee who are to be independent of the company, company management or major shareholders' are met.

In addition to the yearly recurring business regarding quality assurance of financial reporting, detailed review of the year-end report and interim report as of September 30, in 2005 the committee discussed business dealing with the accounting of the Swedish ITP pensions placed with Alecta, the accounting at Spanair, the work and function of internal auditing, special focus areas for auditing work, risk analyses and internal control.

Auditors

Elected by the Annual General Shareholders' Meeting, the auditors are tasked with scrutinizing the company's financial reporting and management of the company by the Board and the President. Pursuant to the Swedish Companies Act, the term for auditors in Swedish limited companies is four years.

At the 2001 Annual General Shareholders' Meeting the registered auditing firm Deloitte AB was elected auditor until the 2005 Annual General Shareholders' Meeting. Deloitte is part of Deloitte Touche Tohmatsu, a global accounting and consulting firm. There was an election of an auditor at the 2005 Annual General Shareholders' Meeting, when Deloitte AB, with Peter Gustafsson as principal auditor, was reelected for the period until the end of the 2009 Annual General Shareholders' Meeting. Peter Gustafsson has headed audit services for Deloitte since 2003. Besides SAS AB, he has audit engagements with SAAB Automobile, Teleca, Technology Nexus, Akademiska Hus and the Ports of Stockholm and Gothenburg. Peter Gustafsson was previously an auditor at Elanders, Connex Transport, Song Networks and other companies.

In accordance with the company's internal rules, the auditor met with the Board on three

occasions in 2005, presenting the program for his auditing work, at which he reported his observations from auditing the annual report, examining the interim report as of September 30 and assessing the company's internal control. The auditor attended all meetings of the audit committee during the year. According to the Board's work plan, the Board shall meet with the company's auditor at least once a year without the President or anyone else from company management present.

In the past three years, in addition to its auditing work, Deloitte performed advising services for companies in the SAS Group in areas connected with auditing, such as tax consulting, transition to reporting according to IFRS and issues relating to the incorporation of units during 2004, for a total invoiced amount of MSEK 38, of which MSEK 16 pertains to 2005.

The auditor receives a fee for his work in accordance with a decision of the Annual General Shareholders' Meeting.

President and Group Management

The Board appoints the President and CEO, who pursuant to the Company Act and the Board's work plan and instructions to the President is responsible for the day-to-day management of company and Group operations. The five members of Group Management as well as the heads of certain corporate functions report to the President.

In its instructions to the President the Board has laid down detailed rules for the President's authority and obligations. Within the framework of the current work plan and instructions to the President, which regulate inter alia the relationship between the President and the Board, Group Management is responsible for business control, financial reporting, acquisitions and disposals of companies and major collaborations, financing, capital structure, risk management and communication with financial markets and other matters of a Group-wide nature.

The President and CEO is Jørgen Lindegaard. A more detailed presentation of the President's background, experience, positions and shareholdings appears on page 7.

The President works closely and exchanges information with the Chairman and also meets regularly with the Chairman to plan Board meetings. The President keeps the Chairman and the rest of the Board continually apprised of the company's and Group's operations and performance. To enable the Board to monitor the Group's financial position on an ongoing basis, the President makes monthly reports to the Board. In addition to the President, Group Management currently comprises five members, named by the Presi-

dent in consultation with the Board. The composition of Group Management appears on page 7.

Group Management is not a corporate body within the meaning of Swedish limited company law and as a collegial management body has no legal liability vis-à-vis the Board and shareholders. Group Management has recorded meetings every week. These meetings are chaired by the President, who reaches decisions after consulting with the other members of Group Management. Group Management's management and control of the Group's subsidiaries and major business units are primarily tied to active work on the boards of the respective subsidiaries and business units. For the Group's business units that are not separate legal entities, internal boards have been established that in all essentials function like the boards of directors of Group subsidiaries. The boards are often composed of representatives of Group Management and Corporate Functions, with the responsible member of Group Management as chairman. In certain larger subsidiaries and business units there are also external board members and representatives of the employees.

Remuneration policies and other terms of employment for company management

For 2005 the following overall policies stipulated by the Board for remuneration and other terms of employment were applied.

Remuneration shall consist of a personal salary, divided into a base salary and variable salary and an earnings-based salary as well as pension and other benefits. Both the variable and earnings-based portions are limited to a maximum percentage of the base salary. Depending on the position, the maximum variable compensation is 26% - 50%. The amount of the variable salary is linked to the meeting of specific targets, which may be quantitative or qualitative as well as relate to company-specific or personal goals. The earnings-based salary depends on the SAS Group's earnings before capital gains. A full earnings-based salary may be paid if the budgeted result is attained, assuming it is positive. An earnings-based salary is never paid if earnings are negative. Neither the President nor other senior executives in the Group received any fees for engagements on the boards of the Group's subsidiaries, business units and affiliated companies.

In the SAS Group there are no share or share-price-related incentive programs for the Board or company management.

The Board sets the President's remuneration.

ation and other terms of employment on the recommendation of the remuneration committee. The President decides on remuneration and other terms of employment for members of Group Management in accordance with the overarching guidelines set by the Board. The President sets the targets for variable remuneration for members of Group Management and other senior executives who report to him.

In other respects the SAS Group applies the so-called “grandfather” principle in setting salaries and other benefits. This principle means that the manager above an employee’s immediate manager must always be informed of and approve that employee’s compensation.

For information on the Group’s remuneration policies and overarching principles as well as the compensation and benefits to the Board, President and senior executives, see Note 3 on pages 65-67 in the Annual Report.

Financial reporting

According to Clause 5.1.3 of the Code, in the corporate governance report, the company shall disclose information about the manner in which the Board assures the quality of the financial reporting and communicates with the company’s auditor.

The audit committee is responsible for preparing the Board’s work in quality assuring financial reporting. This quality assurance takes place whereby the committee discusses critical auditing issues and the financial reports that the company submits. Among the issues the committee discusses are those regarding internal control, compliance with rules, specifically identified focus areas, uncertainty in reported values, events after the closing date, changes in estimates and assessments, financial and legal risks, suspected and verified irregularities and other matters affecting the company’s financial reporting. The company’s external

auditor attends all meeting of the audit committee.

The Board scrutinizes and approves the company’s year-end report and interim reports.

To quality assure the Board’s work on financial reporting and ensure the Board’s access to and oversight and follow-up of auditing work, the Board meets the company’s principal auditor on at least three occasions a year. At the Board meeting in February the auditor reports his observations from his auditing of the annual accounts. In May the auditor presents and the Board discusses the program for risk analysis work and focus of examination for the year in question. After the “hard close” as of September 30, the auditor reports to the Board in November his observations from the examination and his analysis of critical processes and risks.

Board of Directors & auditors

Among the duties of the Board are setting the overarching objectives and strategies of the SAS Group, adopting a budget and business plan, discussing and approving the year-end and interim reports and deciding on investments and major changes in the SAS Group.

Chairman

Egil Myklebust, born 1942
Chairman of the Board of SAS AB since 2001.
Directorships: University of Oslo, Sandvik AB, Vetco International Ltd.
Education: Cand. jur. degree
Shareholding: 3,000

Vice Chairman

Jacob Wallenberg, born 1956
Vice Chairman of the Board of SAS AB since 2001.
Chairman of Investor AB.
Directorships: Vice Chairman of Atlas Copco and SEB, Skandinaviska Enskilda Banken. Member of the Board of ABB Ltd, the Knut and Alice Wallenberg Foundation, W Capital Management and the Nobel Foundation.
Education: MBA, Wharton School, University of Pennsylvania.
Shareholding: 5,000

Regular Members

Berit Kjell, born 1955
Member of the Board of SAS AB since 2001.
Division Director, Telenor ASA.
Directorships: DnB NOR ASA, TusenFryd ASA.
Education: College degree in Tourism, Oppland University College. Markedsøkonom degree, Norwegian School of Marketing, Oslo. AMP, Insead.
Shareholding: 1,600

Timo Peltola

born 1946
Member of the Board of SAS AB since 2005.
Directorships: Chairman of Neste Oil, Pension Insurance Company Ilmarinen (Supervisory Board), Vice Chairman of Nordea and Member of the Board of TeliaSonera, Finnish Fair Corporation, CVC Capital Partners Advisory Board, AW Energy Oy.
Education: MBA, Turku School of Economics and Business Administration. Studied at IMI, Geneva. Honorary doctorate in economics, Swedish School of Economics and Business Administration in Helsinki and Turku School of Economics and Business Administration.
Shareholding: 0

Fritz H. Schur

born 1951
Member of the Board of SAS AB since 2001.
Chairman of the companies in the Fritz Schur Group.
Directorships: Chairman of Post Danmark A/S, DONG A/S and F. Uhrenholt Holding A/S. Vice Chairman of Brd Klee A/S. Member of the Board of CIC A/S and DE POST NV/LA POSTE SA, Belgium.
Education: Handelshøjskolens Afgangseksamen (HA) business degree.
Shareholding: 20,000

Anitra Steen

born 1949
Member of the Board of SAS AB since 2001.
President of Systembolaget AB.
Directorships: Member of the Board of Södersjukhuset AB, Almega and Kungsträdgården Park & Evenemang AB.
Education: Cand.phil. degree with a concentration in the behavioral and social sciences, Uppsala University.
Shareholding: 0

Lars Rebien Sørensen

born 1954
Member of the Board of SAS AB since 2001.
President of Novo Nordisk A/S.
Directorships: ZymoGenetics Incorporated and Bertelsmann AG.
Education: M.Sc. in forestry, Royal Veterinary and Agricultural University, Denmark, and B.Sc. in international economics, Copenhagen Business School.
Shareholding: 0

All Shareholders' Meeting-elected members of the Board are independent in relation to the company and company management. All members of the Board are independent in relation to major shareholders with the exception of Anitra Steen owing to her position in wholly Swedish-government owned Systembolaget AB.

Share convertibles and options
The SAS Group has not issued any share convertibles or options.

Employee representatives

Ulla Grøntvedt, born 1948
Employed at SAS Ground Services.
Member of the Board of SAS AB since 2001.
Shareholding: 300

Deputies:

Sven-Erik Olsson, first deputy.
Shareholding: 0
Pär-Anders Gustafsson, second deputy
Shareholding: 0

Olav H. Lie

born 1963
Employed at SAS Ground Services Norway.
Member of the Board of SAS AB since 2005.
Shareholding: 0

Deputies:

John Lyng, first deputy.
Shareholding: 0
Asbjørn Wikestad, second deputy.
Shareholding: 0

Verner Lundtoft Jensen

born 1955
Employed at SAS Scandinavian Airlines Denmark.
Member of the Board of SAS AB since 2005.
Member of the Board of SAS Denmark A/S since 2005.
Shareholding: 866 (close relation)

Deputies:

Nicolas E. Fischer, first deputy.
Shareholding: 0
Carsten Bardrup Nielsen, second deputy.
Shareholding: 0

Auditors:
Deloitte AB

Principal auditor:
Peter Gustafsson
Authorized Public Accountant

Corporate Secretary:
Mats Lönnkvist
General Counsel, SAS Group

Group Management

The President and CEO is in charge of the day-to-day management of the Group. In addition to the President, SAS Group Management comprises five members named by the President in consultation with the Board. Members of Group Management have divided among themselves the responsibilities for the Group's business management.

Jørgen Lindegaard, born 1948

President and CEO

Assumed his post as head of the SAS Group on May 8, 2001. With a background in telecommunications, since 1975 he has held a number of senior executive positions, including those of CEO of Fyns Telefon A/S, Københavns Telefon A/S and Director of TeleDanmark. He joined GN Store Nord A/S in 1996 and became its President and CEO in 1997.

Member of the Board of FIH Erhvervsbank A/S and of Telenor ASA.

Education: Civilingeniør degree, Technical University of Denmark.

Shareholding: 42,500

Gunilla Berg, born 1960

Executive Vice President and Chief Financial Officer

Member of SAS Group Management since September 16, 2002, and responsible for Corporate Functions covering business control, finance and asset management, investor relations, purchasing and IT. Previously Vice President and Chief Financial Officer of Kooperativa Förbundet. Experience from various executive positions in banking and industry.

Member of the Board of Alfa Laval AB and L E Lundbergföretagen AB.

Education: Civilekonom degree, Stockholm School of Economics.

Shareholding: 1,000

Håkan Ericson, born 1962

Executive Vice President

Member of SAS Group Management since October 1, 2005 and responsible for the business area Airline Support Businesses, i.e., SAS Technical Services, SAS Ground Services, SAS Cargo, SAS Flight Academy, SAS Media. Previously Managing Director DHL, Freight Europe and European Networks, Deputy CEO of ASG AB and experience from various executive positions in the logistics industry.

Education: Civilekonom degree, Stockholm University

Shareholding: 1,000

Gunnar Reitan, born 1954

Deputy CEO

Member of the SAS Management Team from September 1993 to May 8, 2001, and subsequently member of SAS Group Management. Responsible for the business areas Subsidiary & Affiliated Airlines and Hotels and for the Corporate Function Alliances & Corporate Partnerships. Chief Financial Officer until September 16, 2002. Joined SAS in 1988 in Oslo as Director of SAS Station Services. Later Vice President, Finance and Administration for SAS in Norway. Deputy CEO since 1993. Experience in banking, industry and transportation.

Member of the Board of Vital Forsikring ASA and Leif Høegh & Co Ltd.

Education: Degree from Trondheim College of Economics and Business Administration.

Shareholding: 1,000

John S. Dueholm, born 1951

Executive Vice President

Member of SAS Group Management since September 1, 2002. Responsible for the business area Scandinavian Airlines Businesses. Previously responsible for the business areas Airline Support Businesses and Airline Related Businesses, CEO of SAS Data and Senior Vice President of SAS Technical Division 1996-1998. Senior Vice President of Group4Falck 1998-2002.

Member of the Board of Kilroy A/S and Lindorff A/S.

Education: Cand. merc. degree in Business Administration.

Shareholding: 0

Bernhard Rikardsen, born 1956

Executive Vice President

Member of the SAS Management Team from November 1993 until May 8, 2001, and subsequently member of SAS Group Management. Responsible for Corporate Administration & Support, which covers Corporate Communications and Public Affairs, Corporate Human Resources and Group Shared Services. Responsible for the SAS Group's Emergency Response Organization. Joined the SAS human resources department in Norway in 1981. Personnel Director at SAS in Norway 1990-1993.

Education: Bachelor of Business Administration from BI Norwegian School of Management, Oslo.

Shareholding: 0

Share convertibles and options

The SAS Group has not issued any share convertibles or options.