

Proposal by the Board of Directors of SAS AB for a resolution on an authorization of the Board to resolve on directed convertible bond issuances

The Board of Directors of SAS AB (the “**Board**”) proposes that the General Meeting authorizes the Board to resolve, on one or several occasions and until the next Annual General Meeting – with derogation from shareholders’ preferential rights – on issue convertible bonds with rights of conversion into ordinary shares in the company, whereby the amount must not exceed SEK 2,000,000,000 and the number of ordinary shares that may be issued as a result of the conversion must not exceed 20,000,000,000 ordinary shares following the completion of the ordinary share issue, but prior to the completion of the reverse share split. Payment for subscribed convertible bonds shall be made by either cash payment or by set-off.

An issue of convertible bonds by virtue of the authorization shall be made on market terms and conditions, and the registration of issued convertible bonds with the Swedish Companies Registration Office shall not be made prior to the registration of the new ordinary share issue resolved upon by the Board on 8 and 26 February 2010, subject to the approval of the General Meeting.

The reason for deviating from the shareholders’ pre-emptive right is the following. As previously communicated, the participation of the principal shareholders in the rights offering of ordinary shares, subject to the approval of the general meeting, is conditional upon, among other things, the refinancing of the outstanding bonds maturing in 2010, totaling approximately SEK 2 billion. The process of securing this refinancing is ongoing, and to maximize the ability to proceed while current market conditions on the international convertibles market are favorable, the possibility to issue convertible bonds under the ongoing refinancing process is considered advantageous. In view of the circumstances set out above, it is the Board’s opinion that the convertible loan issue cannot be carried out with preferential rights of the Company’s shareholders.

The Board, or whomever the Board may appoint, shall be authorized to make such minor adjustments of the General Meeting’s resolution as may prove necessary in connection with the registration with the Swedish Companies Registration Office, and with Euroclear Sweden AB.

The resolution requires the support of shareholders representing not less than two thirds (2/3) of the votes cast as well as the shares represented at the Annual General Meeting.

Stockholm in March 2010

SAS AB (publ)

The Board of Directors