

**The Board of Directors' report as per art. 10.3 of the Swedish Corporate Governance Code on the Remuneration Committee's evaluation of remuneration to Senior Executives etc.**

The Board of Directors of SAS has established a Remuneration Committee to perform the duties that according to the Swedish Corporate Governance Code (the "Code") rests with a remuneration committee.

As per art. 9.1 of the Code, the Remuneration Committee e.g. shall monitor and evaluate all senior management variable compensation programs, the application of the guidelines for remuneration of senior executives resolved by the annual general meeting, and applicable compensation structures and levels of the company.

In accordance with art. 10.3 of the Code, the Board of Directors hereby gives the following report on the evaluation made by the Remuneration Committee.

SAS does not have a program for variable compensation to senior executives (which for SAS includes the CEO and the other members of the Group Management).

During 2012, the Remuneration Committee has monitored and evaluated the guidelines for remuneration to senior executives. The Remuneration Committee assesses that the application of the guidelines for remuneration of senior executives have been correct.

The Remuneration Committee and the Board of Directors have found special reasons for deviating from applicable guidelines for remuneration of senior executives, and have resolved, as from 2013, to grant the Group Management member responsible for Marketing & Sales a variable salary model with a target salary of 100% comprised by a fixed salary of 60% and a variable salary of 40% connected to certain set sales goals.

Further, the Remuneration Committee has monitored and evaluated the remuneration structures and levels within the company whereby the Remuneration Committee and the Board of Directors have concluded these not to be on market terms in all aspects. Thus, in 2012, a salary decrease for all members of the Group Management was resolved. As per 1 December 2012, the remuneration for all members of the Group Management was decreased by 5% – 20%.

The Board of Directors, who at the board meeting on 15 February 2012 was presented with the evaluation, assesses the compensation received by senior executives in 2012 to be in line with the guidelines determined by the annual general meeting and these guidelines, in view of the result described and with the exceptions set out above, to have fulfilled their purposes and to have worked as intended.

During the year, the Remuneration Committee has followed and discussed the extensive work on a revised strategy and the big adjustment processes the company has faced and still faces. The Committee has thereby expressed its support for the measures taken by the Group Management to secure this work by using so called stay on bonuses for certain key employees outside the Group Management.

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Stockholm in February 2013  
SAS AB (publ)  
*The Board of Directors*