



## Notice convening the Annual General Meeting of SAS AB (publ)

Shareholders in SAS AB (publ) (hereinafter the “**Company**”) are hereby invited to attend the Annual General Meeting on **Tuesday 18 February 2014**. The Annual General Meeting will be held at 3 p.m. at Clarion Hotel, Arlanda Airport, Stockholm-Arlanda, Sweden. The meeting venue will open at 2:15 p.m. for registration. Registration of participants at the meeting ends when the meeting is called to order.

### **Instructions to holders of shares registered with Euroclear Sweden AB in Sweden (other than holders of 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 12 February 2014, and must notify the Company no later than Wednesday 12 February 2014, preferably before 4:00 p.m., at the following address: SAS AB (publ), Attn: SAS Investor Relations, Britta Eriksson/STODL, SE-195 87 Stockholm. Notification may also be made through the Company’s website [www.sasgroup.net](http://www.sasgroup.net) (under Investor relations, Corporate governance, Shareholders’ meeting) or by telephone to +46709971058 on weekdays between 9:00 a.m. and 4:00 p.m.

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 12 February 2014. This means that shareholders must notify their nominees in sufficient time prior to this date.

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

Shareholders in Denmark who wish to attend the Annual General Meeting must notify VP Investor Services A/S (VP) of this in writing to the following address: Weidekampsgade 14, Postboks 4040, DK-2300 København S, per telefon +4543588866, per telefax +4543588867 or through VP InvestorPortalen at [www.sasgroup.net](http://www.sasgroup.net) (under Investor relations, Corporate governance, Shareholders’ meeting) or [www.vp.dk/gf](http://www.vp.dk/gf), by 3:00 p.m. on Tuesday 11 February 2014. 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 12 February 2014. Accordingly, shareholders whose shares are registered with VP Securities A/S in Denmark must request that VP temporarily registers the 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 11 February 2014 to VP through Internet as set out above or at the address above. Forms for notification of attendance and proxy forms are available from VP and [www.sasgroup.net](http://www.sasgroup.net) (under Investor relations, Corporate governance, Shareholders’ meeting) 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 shares are deposited.

Shareholders whose 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 12 February 2014, preferably before 4:00 p.m., in the manner prescribed above.

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

Shareholders in Norway who wish to attend the Annual General Meeting must notify Nordea Bank Norge ASA (Nordea Norway), Securities Services – Issuer Services, of this in writing to P.O. Box 1166 Sentrum, NO-0107, Oslo, Norway, Attn: René Herskedal, by facsimile to +4722486349 or by email to [issuerservices@nordea.com](mailto:issuerservices@nordea.com), by 3:00 p.m. on Tuesday 11 February 2014 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 12 February 2014.

Accordingly, shareholders whose shares are registered with VPS in Norway must request that Nordea Norway temporarily register the 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 11 February 2014, to Nordea Norway at the address above. Forms for notification of attendance and proxy forms are available from Nordea Norway and [www.sasgroup.net](http://www.sasgroup.net) (under Investor relations, Corporate governance, Shareholders' meeting) and will also be sent out to registered shareholders who have notified their email address to the Company.

Shareholders whose 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 12 February 2014, 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 12 February 2014, 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 authorizing 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 on 12-13 February 2014 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 issued 329,000,000 ordinary shares and 0 subordinate shares, equivalent to a total of 329,000,000 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.
14. Resolution on the Board's proposed guidelines for remuneration of senior executives.
15. Resolution on amendments of the articles of association.
16. Resolution on authorisation for the Board to decide on issuance of preference shares.
17. Resolution on authorisation for the Board to decide on issuance of convertibles.
18. Meeting is adjourned.

## PROPOSALS FOR RESOLUTIONS

### **The Board's proposal on a dividend (Item 9b)**

The Board proposes that no dividend be paid to SAS AB's ordinary shareholders for the fiscal year 1 November 2012 – 30 October 2013.

The Board further proposes a dividend on preferential shares that may be issued before the Annual General Meeting 2015. The Board proposes that the dividend shall be paid on a quarterly basis at SEK 12.50 per preferential share, although not higher than SEK 50 in total per preferential share.

The following dates are proposed as record dates for the quarterly payments on preference shares, or when applicable, paid subscribed share: 5 May 2014, 5 August 2014, 5 November 2014 and 5 February 2015. Payment from Euroclear Sweden AB is expected to take place on 8 May 2014, 8 August 2014, 10 November 2014 and 10 February 2015. The first time payment of dividends on preferential shares can take place is at the first payment date that occurs after the first record date, from the day they, or (as the case may be) shares paid and subscribed for, have been registered by Euroclear Sweden AB in the company's share register in accordance with the provisions of the company's articles of association.

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

The Nomination Committee, which consists of Jonas Iversen, Ministry of Finance, for the Swedish government (Chairman); Peter Brixen, Ministry of Finance, for the Danish government; Knut Utvik, 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 Klaes Edhall.

#### Resolution on the number of Board members

The number of Board members elected by the Annual General Meeting shall be increased by one member and thus consist of eight Board members, with no deputies.

#### Resolution on remuneration to Board members

The fees for the period until the end of the next Annual General Meeting shall amount to SEK 410,000 for the Chairman of the Board and, if any, SEK 242,000 for the First Vice Chairman and the Second Vice Chairman respectively, and SEK 207,000 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 in the amount of SEK 49,000 for the Remuneration Committee Chairman and SEK 17,000 each for the Remuneration Committee's other members, as well as for work on the Board's Audit Committee, in the amount of SEK 66,000 for the Audit Committee Chairman and SEK 31,000 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 seven Board members; Fritz H. Schur, Jacob Wallenberg, Dag Mejdell, Monica Caneman, Sanna Suvanto-Harsaae, Lars-Johan Jarnheimer och Birger Magnus. It is proposed to elect a new Board member and the Nomination Committee intends to disclose its proposal for a new Board member well in advance of the Annual General Meeting. The proposal will then be announced by press release and on the Company's website. Furthermore, it is proposed that Fritz H. Schur be re-elected as Chairman of the Board.

#### Election of Auditor

It is proposed to re-elect PricewaterhouseCoopers AB as auditor.

#### Resolution on the Nomination Committee

It is proposed that the Annual General Meeting resolve that a Nomination Committee be elected that is tasked with making proposals to the Annual General Meeting to be convened in 2015 for resolutions regarding:

- chairman of the Annual General Meeting,
- the number of Board members and remuneration to Board members, divided between Chairman, Vice Chairman, other members and any remuneration for work on Board committees,
- election of Board members and Chairman of the Board,
- election of auditor,
- remuneration to the Company's auditor, and
- Nomination Committee for the 2016 Annual General Meeting.

It is also recommended that such a Nomination Committee be elected as follows:

- The Nomination Committee shall comprise four members.
- The Nomination Committee shall comprise the following shareholder representatives: Magnus Skåninger, Ministry of Finance, for the Swedish government; Peter Brixen, Ministry of Finance, for the Danish government; Knut Utvik, Ministry of Trade, Industry and Fisheries, for the Norwegian government and Peter Wallenberg Jr. for the Knut and Alice Wallenberg Foundation.
- Election of the Nomination Committee Chairman, replacement of members during their terms of office, and replacement of shareholder representative owing to a substantial reduction in shareholding, and other decisions concerning the Nomination Committee's composition and work shall take place in accordance with the written instructions submitted to the Nomination Committee, which it is proposed that the Annual General Meeting adopts.

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

The Board recommends that the guidelines from the preceding year remain unchanged. Remuneration for the Company's senior executives, that is the CEO and Group Management, shall consist of a fixed salary, other benefits and pension. Pension benefits offered are to be defined contribution, with premiums not exceeding 30 percent of the fixed annual salary. The notice period shall be six months in the event the executive resigns and 12 months if the executive is dismissed by the Company. In the event of resignation or dismissal, a maximum of one year's fixed salary may be paid as severance pay, though with full deduction for any remuneration the executive may obtain from another employer or contractor. Agreements already concluded on terms that deviate from this regarding

pensions, dismissal and resignation shall continue to be in effect until they expire or are renegotiated. Furthermore, it is proposed that the Board be authorized to waive these guidelines, if in an individual case there is particular reason for doing so.

**The Board's proposal on amendments of the articles of association (item 15)**

In order to enable the issue of preference shares under the proposed authorisation under item 16 below, the Board proposes that the Annual General Meeting resolves to amend articles 5, 15-16 of the articles of association. Article 5 is proposed to be amended so that a new share class, preference shares, is introduced. The proposed wording is presented below. The introduction of a new share class requires certain linguistic changes in articles 15-16, primarily as regards references to "shares" to be changed to "ordinary shares." It is further proposed that article 9 is changed so that the annual general meeting may be held also in Solna.

**Article 5**

A. Share capital, number of shares and certain restrictions on share issues and value transfers

The share capital shall be at least SEK 4,000,000,000 and not more than SEK 16,000,000,000, divided into at least 200,000,000 shares and not more than 800,000,000 shares.

As long as preference shares are in issue and as long as the Preference Share Quota (as calculated below) exceeds 1/2, may resolutions on:

- (i) any further issue of preference shares; or
- (ii) any value transfers to holders of ordinary shares and/or subordinated shares (excluding resolutions on redemption of subordinated shares according to Section 15, clause B., below).

only be passed if at least two thirds (2/3) of all ordinary shares and all preference shares, respectively, are represented at the general meeting at which the resolution is passed, and the resolution is supported by shareholders representing at least two thirds (2/3) of the votes cast within each of the above mentioned share classes. However, this provision shall not limit the board of directors' possibilities to resolve on an issue either by (a) virtue of an authorization, or (b) a subsequent approval from the general meeting, provided that the resolution of the general meeting in accordance with (a) and (b), respectively, is passed in accordance with the majority requirements set out above and that the board of directors, when resolving on

a share issue, observes the limitations that follows from the Preference Share Quota.

The Preference Share Quota is calculated as follows:

$$\frac{A \times B}{C}$$

where:

A is the Redemption Price pursuant to Section 5, clause E. below;

B is the total number of registered preference shares taking into account additional, resolved, but not registered issues, and preference shares which may be issued due to the exercise of issued convertibles or warrants and other financial instruments which can lead to the issuance of further preference shares, excluding such preference shares which are held by the Company or which are subject to redemption following a resolution by the general meeting or the board of directors; and

C is the book value of the group's equity according to the latest interim report by the board of directors, with deductions for any proposed, but not resolved upon nor implemented value transfer under item (ii) above; and any proposed but not resolved upon nor paid Preference Dividend under Section 5, clause D. below.

#### B. Share class and voting rights

Shares may be issued in three classes, ordinary shares, subordinated shares and preference shares. Each ordinary share and subordinated share entitles the holder to one (1) vote. Each preference share entitles the holder to one-tenth (1/10) of a vote.

Ordinary shares and subordinated shares may be issued up to a number corresponding to 100 percent of the Company's share capital. Preference shares may be issued up to a number corresponding to 10 percent of the share capital.

#### C. Preferential rights

Shareholders' preferential rights in relation to the issue of shares, warrants or convertibles are defined in Article 16.

#### D. Dividends

If the general meeting resolves on a dividend, the preference shares shall have priority over ordinary shares and subordinated shares to an annual dividend in accordance with the following.

Priority to dividend per preference share ("Preference Dividend") shall:

- i. from and including the first payment date (see below) following the registration of the preference shares at the Swedish Companies Registration Office up to and including the payment date immediately following the record date 5 February 2019, amount to SEK 50 per year, evenly divided into quarterly payments; and
- ii. from and including the payment date following the record date 5 February 2019 and for the time thereafter, the Preference Dividend shall increase with an amount corresponding to 1 percent of the subscription price for preference shares at the first issue of preference shares ("Initial Subscription Price") per year, evenly divided into quarterly payments. Adjustments according to the above shall be made annually, from and including the payment date immediately following the record date on 5 February 2019 up to and including the payment date immediately following the record date 5 February 2023, after which the Preference Dividend shall total an amount equivalent to SEK 50 plus 5 percent of the Initial Subscription Price, per year, evenly divided into quarterly payments.

Payment of dividend on preference shares shall be made quarterly. Record dates shall be 5 February, 5 May, 5 August and 5 November. In the event such day is not a banking day, i.e. a day that is not a Sunday, public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, the record date shall be the closest preceding banking day. Payment of dividend on preference shares shall be made on the third banking day after the record date.

If no dividend has been paid on preference shares, or if only dividend less than the Preference Dividend has been paid, the preference shares shall, in addition to future Preference Dividend, entitle to receipt of an amount, evenly divided on each preference share, constituting the difference between what should have been paid as dividend in accordance with the above and the actual amount paid ("Outstanding Amount"), before value transfers to holders of ordinary shares or subordinated shares can be made. The Outstanding Amount shall be adjusted upwards with a factor corresponding to an annual interest rate of 20 percent, whereby the upward adjustment shall start from and including the quarterly date on which a part of

the dividend payment was made (or should have been made, in the event no dividend was paid at all). Also payment of dividend on the Outstanding Amount requires that the general meeting resolves on a dividend.

The preference shares shall not otherwise entitle to any dividend.

#### E. Redemption of preference shares

A reduction of the share capital, however not below the minimum capital, can be made by redemption of a certain number of or all of the preference shares following a resolution of the board of directors. When such resolution is passed, an amount corresponding to the reduction amount shall be transferred to the statutory reserve if the required funds for this purpose are available.

The distribution of preference shares that are to be redeemed shall be made pro rata in relation to the number of preference shares that each preference shareholder holds on the date of the board of directors' resolution on redemption. If such allocation as set out above is not even, the board of directors shall resolve on allocation of surplus preference shares that are to be redeemed. If the resolution to redeem shares is approved by all holders of preference shares the board of directors may, however, freely resolve which preference shares that are to be redeemed.

The redemption price for each redeemed share shall be an amount (the "Redemption Price") calculated in accordance with the following:

- i. Until and including the first payment date following the record date 5 February 2018, an amount corresponding to (i) 120 percent of the Initial Subscription Price; plus (ii) any accrued part of preference share dividend; plus (iii) any Outstanding Amount adjusted upwards with an annual interest in accordance with clause D. above. However, the redemption price shall never be less than the share's quota value.
- ii. From the day immediately after the first payment date following the record date 5 February 2018 and for the time thereafter, an amount corresponding to (i) 105 percent of the Initial Subscription Price; plus (ii) any accrued part of preference share dividend; plus (iii) any Outstanding Amount adjusted upwards with an annual interest in accordance with clause D. above. However, the redemption price shall never be less than the share's quota value.

"Any accrued part of preference share dividend" refers to accrued dividend for the period starting with the day after the last record date for payment of dividends on preference shares, up until the date for payment of the Redemption Price. The number of days shall be calculated based on the actual number of days in relation to 90 days.

A holder of a preference share that is to be redeemed shall be required to, within three months from receipt of written notification of the board of directors' resolution on redemption, receive the Redemption Price for the share or, where permission from the Swedish Companies Registration Office or the district court is required, from the receipt of notification that such a decision has become legally binding.

#### F. Dissolution of the Company

In the event the Company is dissolved, preference shares shall have priority over ordinary shares and subordinated shares to receive from the Company's assets an amount per preference share corresponding to the Redemption Price as calculated in accordance with clause E. above, as per the date of the dissolution before any distributions are made to the holders of ordinary shares and subordinated shares. The preference shares shall not otherwise carry any entitlement to a share of distribution.

#### G. Recalculation in the event of certain corporate events

In the event the number of preference shares is changed through a split, reverse split or other similar corporate event, the amounts to which preference shares entitle according to clauses D.-F. in this Section 5 shall be recalculated to reflect such change.

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

#### **The Board's proposal on authorisation for the Board to decide on issuance of preference shares (item 16)**

The Board proposes that the annual general meeting resolves to authorise the Board to, on one or several occasions until the next annual general meeting – with or without deviation from the shareholders' pre-emption rights – decide on issuance of preference shares in the company. The authorisation shall comprise a maximum of 7,000,000 preference shares in the company. Payment of preference shares may be made in cash, by set-off or in kind. The resolution to authorise

the Board to decide on issuance of preference shares under this item 16, is conditional upon that the Annual General Meeting resolves in accordance with the Board's proposal to amend the articles of association pursuant to item 15 above.

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

**The Board's proposal on authorisation for the Board to decide on issuance of convertibles (item 17)**

The Board proposes that the Annual General Meeting authorises the Board to, on one or several occasions until the next annual general meeting – with deviation from the shareholders' pre-emption rights – decide on the issue of bonds with the right to conversion (convertibles) into new ordinary shares in the Company, where the loan amount must not exceed 2,000 million and the number of ordinary shares that may be issued after the conversion must not exceed 130,000,000 ordinary shares. Payment of convertible bonds subscribed for may be made in cash or by set-off. Issue of convertible bonds under the authorisation shall be made on market terms.

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

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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 of senior executives in the 2012/2013 fiscal year and proxy forms will be available at the

Company and on the Company's website [www.sasgroup.net](http://www.sasgroup.net) (under Investor relations, Corporate governance, Shareholders' meetings) latest as from 28 January 2014. The documents will be sent to shareholders who request that 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 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 Investor relations, Corporate governance, Shareholders' meetings). The notice will further be sent by regular mail free of charge to shareholders who request that at the Company's address SAS AB (publ), SAS Investor relations, Attn. Britta Eriksson/STODL, SE-195 87 Stockholm, stating their address.

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Stockholm in January 2014  
SAS AB (publ)  
*The Board of Directors*