



Notice convening the Extraordinary General Meeting of SAS AB

Shareholders in SAS AB (publ) (hereinafter the “**Company**”) are hereby invited to attend the Extraordinary General Meeting on **Tuesday 22 September 2020**. The Extraordinary General Meeting will be held at 10:00 a.m. at the Company’s Head Office, Frösundaviks allé 1, Solna, Sweden. The meeting venue will open at 9:15 a.m. for registration. Registration of participants at the meeting ends when the meeting is called to order.

SAS welcomes all shareholders to exercise their voting rights at the Extraordinary General Meeting through advance voting as described below. Information on the resolutions passed at the Extraordinary General Meeting will be published on Tuesday 22 September 2020.

Instructions to holders of common shares registered with Euroclear Sweden AB in Sweden (other than holders of common 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 Extraordinary General Meeting must be registered in the share register of the Company maintained by Euroclear Sweden AB on Monday 14 September 2020, and must notify the Company no later than Wednesday 16 September 2020, preferably before 4:00 p.m., through the Company’s website www.sasgroup.net (under “About SAS/Corporate Governance”) or by telephone to +46709971058 on weekdays between 9:00 a.m. and 4:00 p.m. Notification may also be made at the following address: SAS AB (publ), Attn: Britta Eriksson/STODL, SE-195 87 Stockholm.

Shareholders whose shares are registered in the name of a nominee must, in addition to giving notice of participation, have their shares registered in their own name in the share register kept by Euroclear Sweden AB by the record date Monday 14 September 2020 to be entitled to participate in the Extraordinary General Meeting. Such registration can be temporary (so called voting-rights registration). Shareholders who wish to register the shares in their own name must, in accordance with the respective nominee’s instructions, in sufficient time prior to the record date, request that the nominee makes such voting-rights registration.

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

Shareholders of common shares in Denmark who wish to attend the Extraordinary General Meeting must notify VP Investor Services A/S (VP) of this in writing through filling in and signing relevant form to the following address: Weidekampsgade 14, P.O. 4040, DK-2300 København S, Denmark, per email to vpinvestor@vp.dk or through VP InvestorPortalen at www.sasgroup.net (under “About SAS/Corporate Governance”) or www.vp.dk/gf, by 3:00 p.m. on Monday 14 September 2020.

Shareholders whose shares are registered with VP Securities A/S in Denmark must, in addition to giving notice of participation, temporarily have their shares registered in their own name (so called voting-rights registration) in the share register kept by Euroclear Sweden AB by the record date Monday 14 September 2020 to be entitled to participate in the Extraordinary General Meeting. Shareholders who wish to register the shares in their own name must request that VP makes such voting-rights registration. A request for such registration must be submitted in sufficient time and no later than 3:00 p.m. on Monday 14 September 2020 to VP through Internet as set out above or at the address above. Forms for notification of attendance and proxy forms are provided by VP and are available at www.sasgroup.net (under “About SAS/Corporate Governance”) 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 common shares are deposited.

Shareholders whose common 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 16 September 2020, preferably before 4:00 p.m., in the manner prescribed above.

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

Shareholders of common shares in Norway who wish to attend the Extraordinary General Meeting must notify Nordea Bank Abp, filial i Norge, Securities Services – Issuer Services, of this in writing to P.O. Box 1166 Sentrum, NO-0107, Oslo, Norway, Attn: René Herskedal or by email to nis@nordea.com, by 3:00 p.m. on Monday 14 September 2020 at the latest.

Shareholders whose shares are registered with VPS in Norway must, in addition to giving notice of participation, temporarily have their shares registered in their own name (so called voting-rights registration) in the share register kept by Euroclear Sweden AB by the record date Monday 14 September 2020 to be entitled to participate in the Extraordinary General Meeting. Shareholders who wish to register the shares in their own name must request that Nordea Norway makes such voting-rights registration. A request for such registration must be submitted in sufficient time and no later than 3:00 p.m. on Monday 14 September 2020, to Nordea Norway at the address above. Forms for notification of attendance and proxy forms are provided by Nordea Norway and are available at www.sasgroup.net (under “About SAS/Corporate Governance”) and will also be sent out to registered shareholders who have notified their email address to the Company.

Shareholders whose common 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 16 September 2020, 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 Extraordinary General Meeting. Assistants to shareholders will be admitted to the Extraordinary 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 Extraordinary General Meeting and preferably no later than Monday 14 September 2020, 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 Extraordinary 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 Extraordinary 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 Extraordinary General Meeting.

Advance voting

The shareholders may exercise their voting rights at the Extraordinary General Meeting by voting in advance, so-called postal voting in accordance with Section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on SAS’s website, www.sasgroup.net (under “About SAS/Corporate Governance”).

The completed voting form must be received by SAS no later than 7:00 p.m. on Monday 21 September 2020. The form may be submitted via e-mail to Britta.Eriksson@sas.se or by post to SAS AB (publ) Attn. Britta Eriksson/STODL, SE-195 87 Stockholm. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance voting in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

For questions about the Extraordinary General Meeting or to have the advance voting form sent by post, please contact SAS on telephone +46709971058 (on weekdays between 9:00 a.m. and 4:00 p.m.).

Admission cards for the Extraordinary General Meeting

Admission cards, to be presented when entering the Extraordinary General Meeting venue, will be sent out around 18 September 2020 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 at the time of publication of this notice issued 382,582,551 common shares, 0 subordinate shares and 0 shares of series C, equivalent to a total of 382,582,551 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. Resolutions on:
 - a. amendments of the Articles of Association,
 - b. reduction of the share capital,
 - c. additional amendments of the Articles of Association,
 - d. authorization for the Board to resolve on new issues of common shares, and
 - e. bonus issue.
8. Meeting is adjourned.

PROPOSALS FOR RESOLUTIONS

The Board's proposal for resolutions in accordance with item 2 (election of a chairperson for the meeting) on the agenda

The Board proposes that Attorney-at-law Andreas Steen is elected chairperson for the meeting.

The Board's proposal for resolutions in accordance with item 7 (new share issues authorization etc.) on the agenda

The Company has, through press releases dated 30 June 2020 and 14 August 2020, announced that the Board has resolved on a Recapitalization Plan conditional upon, among other things, necessary general meeting approvals. The Recapitalization Plan comprises several capital injections, including new issues of common shares (i) to the holders of outstanding unsecured bonds due 24 November 2022 (the "**Bonds**") and to the holders of subordinated perpetual capital securities issued on 16 October 2019 (the "**Hybrid Notes**") with payment by set-off (the "**Set-off Issues**"), (ii) a directed issue of common shares for cash to the Company's two largest shareholders (the "**Directed Issue**"), i.e. to the Government of Sweden and the Government of Denmark (together the "**Major Shareholders**"), and (iii) a rights issue of common shares to existing shareholders (the "**Rights Issue**"). The Set-off Issues, the Directed Issue and the Rights Issue are in the below jointly referred to as the "Share Issues". The Company announced the contemplated terms of the Share Issues in the abovementioned press releases dated 30 June 2020 and 14 August 2020. The Major Shareholders' participation is conditional on inter alia conversion of the Bonds and the Hybrid Notes, on approval by the European Commission and on the mandatory bid exemptions granted by the Swedish Securities Council applying, as further set out in the press releases.

Further, the Board proposes by reason of the Shares Issues, that the share capital shall be reduced in order to obtain a lower quota value. In order to increase the Company's share capital following the proposed share capital reduction, the Board proposes that the Extraordinary General Meeting also

resolves on a bonus issue. Resolutions on the share capital reduction, the Share Issues and the bonus issue require that the Articles of Association be amended concurrently.

The reasons for the authorization for the Board to resolve on the Set-off Issues and the Directed Issue, comprising new issues of common shares with disapplication of the shareholders' preferential rights, are the following. The conversion of the Bonds and the Hybrid Notes as well as the Directed Issue constitute integral and central parts of the Recapitalization Plan that have been requested by the Major Shareholders as a condition for their participation in the Recapitalization Plan. In this regard, the Board has evaluated other options and has assessed that current market conditions, and the availability of subscription undertakings and underwriting commitments, would not enable a rights issue in the amount necessary to carry out the Recapitalization Plan. Following extensive negotiations to date, the Board presents the proposals below, on the basis of the Set-off Issues and the Directed Issue being necessary and required parts of the Recapitalization Plan that the Company from an overall perspective considers to strike a balance between various stakeholders, given the size of the recapitalization and the requirements from the Major Shareholders. If the Recapitalization Plan is not implemented and fails, SAS will not be able to recapitalize and remedy the liquidity shortage and the negative equity caused by the COVID-19 outbreak, which would have a material adverse effect on the Company's financial condition.

7 a Amendments of the Articles of Association

In order to enable the proposed reduction of the Company's share capital set out below, the Board proposes that the Extraordinary General Meeting resolves that the limitations with respect to the share capital in Article 5, first paragraph, of the Company's Articles of Association be amended in such way that the lower limit shall be SEK 250,000,000 and the higher limit shall be SEK 1,000,000,000.

7 b Reduction of the share capital

In order to obtain a lower quota value, the Board proposes that the Company's share capital, currently amounting to SEK 7,689,909,275.10, shall be reduced by SEK 7,402,972,361.85, without redemption of any shares, to be transferred to non-restricted equity. Following the reduction of the share capital, the Company's share capital will amount to SEK 286,936,913.25, divided into a total of 382,582,551 shares, with a quota value of SEK 0.75 per share.

7 c Additional amendments of the Articles of Association

In order to enable the below proposed authorization for the Board to resolve on new issues of common shares and the proposed bonus issue, the Board proposes that the Extraordinary General Meeting resolves that the limitations with respect to the share capital and number of shares in Article 5, first paragraph, of the Company's Articles of Association be amended in such way that:

- (i) as regards the limitations with respect to the share capital, the lower limit shall be SEK 6,000,000,000 and the higher limit shall be SEK 24,000,000,000; and
- (ii) as regards the limitations with respect to the number of shares, the lower limit shall be 4,500,000,000 shares and the higher limit shall be 18,000,000,000 shares.

7 d Authorization for the Board to resolve on new issues of common shares

The Board proposes the Extraordinary General Meeting to authorize the Board to resolve, on one or several occasions up until the next Annual General Meeting, to increase the Company's share capital through new issues of common shares with or without disapplication of the shareholders' preferential rights. The total number of shares that may be issued by virtue of the authorization shall, as a maximum, amount to such number of shares that is within the limits set forth in the Articles of Association. Payment shall be made by cash or, in respect of the Set-off Issues by set-off against claims on the Company. For technical reasons, the new share issues may be carried out as new issues by way of set-off after subscription. Other terms and conditions for the issuances shall be decided by the Board. In the event that the subscription price to be paid for each common share is lower than the quota value of the share, an amount corresponding to the difference between the subscription price and the quota value of the share, multiplied with the number of issued shares, shall be contributed to the share capital through a transfer from the Company's available non-restricted equity.

7 e Bonus issue

The Board proposes that the Extraordinary General Meeting resolves on a bonus issue of SEK 3,200,000,000, without the issuance of any new shares, in order to strengthen the Company's share

capital. The increase of the share capital shall be carried out through a transfer of funds to the share capital from the Company's available non-restricted equity.

Majority requirements etc.

All proposals under item 7 of the agenda are conditional on each other and the Board proposes that the Extraordinary General Meeting's resolutions under item 7 shall be adopted as a single and joint resolution. The resolution requires that shareholders representing at least two-thirds (2/3) of the votes cast as well as of the shares represented at the Extraordinary General Meeting approve the resolution.

Each of the Major Shareholders has, subject to the conditions set out above, expressed its support for the Recapitalization Plan and expressed its intention to (a) subscribe for the common shares to be issued in the Directed Issue, (b) subscribe for its pro rata share of the Rights Issue and (c) underwrite such additional number of common shares in the Rights Issue that the commitment by each Major Shareholder amounts to approximately MSEK 1,497 (i.e. in aggregate approximately MSEK 2,994, corresponding to approximately 75% of the Rights Issue). Following completion of the Directed Issue and the Rights Issue, each of the Major Shareholders will end up holding the same number of shares and votes in the Company. The third largest shareholder, KAW, has expressed its support for the Recapitalization Plan and has undertaken to subscribe for its pro rata share of the Rights Issue (KAW's current shareholding in the Company amounts to 6.50% of the shares and votes), corresponding to approximately MSEK 259, subject to among other things the fulfilment of the above described subscription and underwriting commitments by the Major Shareholders.

Each of the Major Shareholders has been granted an exemption by the Swedish Securities Council in respect of the Swedish mandatory bid obligation in the event that, as a consequence of its respective participation in the Directed Issue and Rights Issue, its shareholding in the Company would equal or exceed 30% of the votes. The Government of Sweden's mandatory bid exemption is conditional upon that the shareholder resolution authorizing the Directed Issue and the Rights Issue is approved by the Extraordinary General Meeting with at least two-thirds (2/3) of the votes cast as well as of the shares represented at the Extraordinary General Meeting disregarding any shares represented by the Government of Sweden. The Government of Denmark's mandatory bid exemption is conditional upon that the shareholder resolution authorizing the Directed Issue and the Rights Issue is approved by the Extraordinary General Meeting with at least two-thirds (2/3) of the votes cast as well as of the shares represented at the Extraordinary General Meeting disregarding any shares represented by the Government of Denmark. The maximum number of shares and votes in the Company that can be held by each of the Government of Sweden and the Government of Denmark due to its respective undertakings has been announced by the Company by a press release on 14 August 2020.

Authorization for the CEO

The Board proposes that the CEO shall be authorized to make the minor adjustments to the above resolution in connection with the registration thereof with the Swedish Companies Registration Office and Euroclear Sweden AB.

Documents in accordance with Chapter 12, Section 7 and Chapter 20, Sections 13-14 of the Companies Act will be available at the Company and on the Company's website www.sasgroup.net (under "About SAS/Corporate Governance") no later than 1 September 2020. The documents will be sent to shareholders who so request at the Company's address SAS AB (publ), Attn. Britta Eriksson /STODL, SE-195 87 Stockholm, stating their address.

If a shareholder so requests, and if the Board of Directors determines it can be made without significant harm to the Company, at the Extraordinary General Meeting, the Board of Directors and the CEO shall provide information on circumstances that may affect the assessment of an agenda item.

The notice of this Extraordinary General Meeting will be distributed by e-mail 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 (under "About SAS/Corporate Governance"). The notice will further be sent by regular mail free of charge to shareholders who so request at the Company's address SAS AB (publ), Attn. Britta Eriksson/STODL, SE-195 87 Stockholm, stating their address.

For information on how your personal data is processed, see
<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in August 2020
SAS AB
The Board of Directors