

CONSORTIUM AGREEMENT

dated February 8, 1951 (as amended)

relating to

**SCANDINAVIAN AIRLINES SYSTEM
Denmark-Norway-Sweden**

Parties

**SAS Danmark A/S
SAS Norge AS
SAS Sverige AB**

CONSORTIUM AGREEMENT

(As amended and supplemented May 7, 1956, March 26, 1962, April 1, 1974, February 15, 1985, June 1, 1987, October 1, 1987, May 29, 1997, May 8, 2001, and June 5, 2012)

The undersigned:

SAS DANMARK A/S (below called SAS Danmark)
SAS NORGE AS (below called SAS Norge)
SAS SVERIGE AB (below called SAS Sverige)

(referred to individually as a Party and two or more as the Parties)

have agreed that the following Consortium Agreement shall apply between them.

§ 1

Name and Activity of the Consortium

1. The Parties hereby form a Consortium, which under the name of

SCANDINAVIAN AIRLINES SYSTEM
Denmark – Norway – Sweden

and for their joint account, and as an entity, shall carry on commercial air traffic and other business in connection therewith, in accordance with the provisions of this Agreement, and otherwise to the extent and in a way the Board of the Consortium deems appropriate.

2. The activity of the Consortium shall be governed by sound business considerations, practice and policy.
3. None of the Parties may directly or indirectly carry on, or support, or take any interest in any activity of the kind carried on by the Consortium, unless the other Parties agree thereto.

§ 2

Rights and Liabilities of the Parties

1. As against third parties, the Parties are jointly and severally liable for due fulfilment of any obligation which might arise for the Consortium in connection with its activity.
2. The internal relation in the Consortium between the Parties shall be as follows:

SAS Danmark's share in the Consortium shall be 2/7(two sevenths)
SAS Norge's share in the Consortium shall be 2/7 (two sevenths)
SAS Sverige's share in the Consortium shall be 3/7 (three sevenths)

In accordance herewith the Parties shall jointly own all the properties and rights of the Consortium in these proportions, while they in the same proportions shall share any profit or any loss which arises as a result of the activity of the Consortium and between themselves shall be responsible for the obligations of the Consortium.

§ 3

General Principles of Allocation

1. Subject to the provision contained in § 1, sub-paragraph 2, the Consortium shall make every effort towards allocating in a reasonable way, the business activities of the Consortium between the three countries.
2. When appointing the personnel of the Consortium, the Board and the Managing Director shall make every effort to achieve an organization which is as rational and efficient as possible. Subject to the provision contained in § 1, sub-paragraph 2, the appointing of higher officials at the Head Office, and in the representation abroad, as well as the appointing and training of flight personnel, shall be made with due consideration of achieving a reasonable proportion between Danes, Norwegians, and Swedes.

§ 4

Capital of the Consortium

1. The capital of the Consortium shall at each time consist of
 - the initial capital contributed by the Parties in connection with the formation of the Consortium;
 - further capital contributions made by the Parties;
 - profits generated within the Consortium and not distributed to the Parties;reduced by capital used
 - for covering losses made by the Consortium; and
 - for reductions of the capital by distributions to the Parties.
2. Each Party's share of the capital of the Consortium shall correspond to the proportions set out in § 2, sub-paragraph 2.

§ 5

Ownership and Registration of Aircraft

1. The ownership of each aircraft shall be vested in the Party registered and recorded as owner thereof, but all aircraft shall internally between the Parties be regarded as owned by the Consortium, which latter shall, with regard to third parties, exercise any and all powers appertaining to ownership of the aircraft, including – without limiting the generality hereof – the power to control, use, charter, and lease such aircraft as well as to dispose of same by sale or otherwise.
2. Aircraft contributed by the Parties to the Consortium as capital, in connection with its formation, as well as aircraft later acquired by the Consortium, shall be registered, within each type of aircraft, by approximately 3/7 of each type of aircraft in SAS Sverige's name in Sweden, by approximately 2/7 in SAS Danmark's name in Denmark, and by approximately 2/7 in SAS Norge's name in Norway, without this having any other effects on rights and liabilities under this Agreement. Deviation from this allocation principle can be made should practical reasons so require.

§ 6

Management of the Consortium

1. The affairs of the Consortium shall be managed by a Board of Directors (Board) and a Managing Director.
2. The Board shall consist of nine Members of which six Members shall be appointed by the Parties, whereas the employee groups of the Consortium in Denmark, Norway and Sweden, respectively, each shall appoint one Member and one Deputy. The Board shall for one year at a time elect among the Members representing the Parties one Chairman and two Vice Chairmen.
3. The Board shall appoint the Managing Director and determine his remuneration.
4. A Board Member or the Managing Director may not act in his capacity in connection with any matter wherein he is challengeable.
5. The Members and Deputies of the Board shall receive compensation for travelling and living expenses and a reasonable remuneration as may be decided by the Parties.

§ 7

The Parties' Meeting

1. A Parties' Meeting (the "Meeting") shall be held at least once a year within four months after the end of the financial year and whenever a Party wishes such Meeting to be held.
2. Notice of a Meeting shall be given by the Board, if possible at least two weeks in advance. If special circumstances so require, the time of notice may be shortened. The notice shall specify the matters to be dealt with at the Meeting. A decision cannot be reached on a matter which has not been specified in the notice.
3. Meetings are conducted by a chairman elected by the Parties at the Meeting.
4. A quorum is formed with a representative from each Party present. If in accordance herewith a quorum is not present, a Party can, within eight days, demand that a new Meeting be held and at this Meeting a quorum shall be formed in matters, which were specifically stated in the notice of the first Meeting, with only two Parties represented.
5. At a Meeting each Party shall have one vote. A decision shall, unless otherwise is provided in this Agreement, be considered to be the opinion agreed upon by a majority of the votes.
6. Minutes shall be kept of the Meeting and shall be certified by the chairman of the Meeting.
7. The Meeting shall, in addition to what is elsewhere prescribed in this Agreement, decide the following matters,
 - (i) the adoption of the Annual Accounts and the consolidated Annual Accounts of the Consortium;
 - (ii) the appropriation of the profit or loss of the Consortium;

- (iii) the question of granting discharge from liability as against the Parties to the Members of the Board and the Managing Director for the period covered by the annual report;
- (iv) the appointment of Members of the Board;
- (v) the appointment of the Auditors and deputy Auditors;
- (vi) the determination of remuneration to the Members of the Board and to the Auditors;
- (vii) and any other matter which has been submitted to the Meeting.

Items (i) - (iv), (vi) and, where appropriate, item (v) above shall be dealt with each year at the Meeting to be held within four months after the end of the financial year.

§ 8

The Board of Directors

1. The Board shall have, unless otherwise prescribed in this Agreement, the same authority and duties as the board does normally have in a public limited company.
2. The Board shall adopt specific rules of procedure relating to the exercise of their powers.
3. The meetings are conducted by the Chairman or in his absence by a Vice Chairman.
4. Notice of meetings shall, if possible, be given at least one week in advance. If special circumstances so require the time of notice may be shortened. The notice shall specify the matters to be dealt with at the meeting. If any Member present objects thereto, a decision cannot be reached on a matter which has not been specified in the notice.
5. It is the duty of the Chairman to see to it that meetings are held when necessary. If a Member or the Managing Director demands a Meeting, such a demand shall be complied with.
6. A quorum is formed with more than half the Members present.
7. A decision by the Board shall be considered to be the opinion agreed upon by a majority of the Members voting, or if the voting is equal the opinion supported by the Chairman.
8. Minutes shall be kept of the meetings and shall be certified by the acting Chairman as well as by two Members present at the Meeting.
9. The Board shall decide which persons, individually or jointly, shall have authority to represent the Consortium and sign for it with binding effect.

§ 9

The Managing Director of the Consortium

The Managing Director shall have the same powers and duties as are normally held by a managing director of a public limited company. The Board shall prescribe detailed rules for the authority of the Managing Director.

§ 10

Accounts and Audit

1. The financial year of the Consortium shall be 1 November – 31 October.
2. The accounts shall be prepared in accordance with generally accepted accounting principles and shall present a true and fair view of the Consortium's financial position and result.
3. The Consortium shall organize its preparation of the accounts of the Consortium in such a manner and within such time limits that each Party is duly capable of complying with such demands as follows from national rules and regulations including filing requirements with national authorities and stock exchanges.
4. The accounts of the Consortium shall be audited by two Auditors with two deputy Auditors or one or two registered accounting firms appointed by the Meeting. The auditor assignment runs until the end of the Meeting held during the fourth financial year following the appointment of such auditors.
5. The audited Annual Accounts and consolidated Annual Accounts, the auditors' report and a copy of the auditors' report shall be submitted to the Chairman of the Board. The Chairman of the Board shall call a Meeting as soon as possible to review the auditors' report and to approve the Annual Accounts and the consolidated Annual Accounts within the time limit set forth in § 7, sub-paragraph 7.

§ 11

Distribution of Profits, Reduction of the Capital and Future Contributions to Cover Losses

1. The Meeting shall decide on the distribution to the Parties of profits. The Meeting shall not decide in favour of higher distribution than proposed or accepted by the Board.
2. The Meeting may decide on the reduction of the capital of the Consortium by distribution to the Parties provided such proposal for reduction is proposed or accepted by the Board.
3. The Meeting shall decide if and to what extent losses shall be covered by payments to the Consortium by the Parties as well as the time within which such payments shall be effected.

§ 12

Force Majeure

1. The Parties mutually exonerate themselves from any and all liability and other consequences arising from the impossibility of fulfilling the provisions of this Agreement on account of war, danger of war, civil disturbances, blockade, catastrophic acts of nature, or similar circumstances.
2. The Parties agree that it shall not be a breach of this Agreement if one or more of the Parties should be unable to fulfil its or their obligations under this Agreement or should be unable to continue its or their activities in accordance with the provisions of this Agreement because of war or armed conflict or other hostilities between nations, or national preparation for seemingly imminent war or armed conflict or other hostilities. Should one or more of the

Parties, during such emergency, become – partly or wholly – unable to continue its activities in accordance with the provisions of this Agreement, or otherwise unable to fulfil its or their obligations under this Agreement, the remaining Party or Parties for the period of such emergency shall be permitted to carry on the operations of the Consortium under the name and insignia Scandinavian Airlines System (SAS) or such other name and style as the Party or Parties shall determine, for such operations as it or they are able to maintain.

3. In the event of any such emergency, and regardless of the changes to which the activities of the Consortium and its properties, rights and obligations may be subjected, the Consortium as between the Parties hereto shall be maintained and continued and upon the expiration of the emergency shall become fully operative again as and when conditions so permit. During said emergency period each Party or Parties operating externally on its or their own, in so doing shall use its or their best efforts to protect and further the interests of the other Party or Parties to this Agreement, and the profits or losses, including capital losses, and the capital expenditures and investments of such Party or Parties made in the furtherance of any such operation or operations during said emergency shall be regarded internally between the Parties for the joint account of all Parties to this Agreement, and in accordance with the principles underlying this Agreement. Upon the termination of said emergency a full and accurate accounting shall be rendered by the Party or Parties to the other Parties to this Agreement, as though said emergency had not intervened. Upon the termination of said emergency, all such operations of the Parties shall be resumed again in accordance with the provisions of this Agreement.

§ 13

Transfer of Rights

1. None of the Parties is entitled to transfer, wholly or partly, its rights or obligations under this Agreement without the other Parties' consent.
2. Irrespective hereof, each of the Parties shall for the purpose of its own financing be entitled to pledge or otherwise utilize its rights under this Agreement as security, subject, however, that such an arrangement may not in any way affect that Party's obligations or the other Parties' rights under this Agreement.

§ 14

The Withdrawal of One of the Parties from the Consortium under Certain Circumstances

1. Should any of the Parties
 - a) fail to fulfil its obligations under this Agreement, unless the failure be of minor relevance, or
 - b) become financially weakened to such an extent that the obligations of the other Parties, on account of their joint liability towards third parties, would become considerably more onerous than was the case when this Agreement was entered into,

the other two Parties shall be entitled to demand, jointly, that the third Party withdraws from the Consortium. The withdrawal shall take place 6 (six) months after notice of said demand has been given by the other two Parties.

2. Should one of the Parties not be willing to join a decision taken by the other Parties to extend the activity of the Consortium, and should such extension require additional contributions from the Parties or should any of the Parties not be willing to join a decision taken by the other Parties to substantially reduce the activity of the Consortium, the first mentioned Party shall be entitled to voluntarily withdraw from the Consortium if he notifies the other Parties to that effect within 1 (one) month from the date of the decision. In that case the withdrawal shall take place 6 (six) months after the other two Parties' receipt of such notice.
3. When a Party withdraws in accordance with the provisions of sub-paragraphs 1 and 2, he shall be entitled to receive that part of the net assets of the Consortium which corresponds to his share in the Consortium as stated in § 2, sub-paragraph 2. This part shall be estimated in accordance with the principles contained in sub-paragraphs 4 and 5 below as per the date when the withdrawal was demanded in accordance with sub-paragraph 1, or when the withdrawal shall take place in accordance with sub-paragraph 2 as the case may be.
4. In case a Party withdraws due to circumstances beyond the Party's control, e.g. governmental intervention or a financial crisis in the Party's own country as well as when a Party withdraws in accordance with sub-paragraph 2 above, the assets of the Consortium shall, for the purpose of calculating the net assets in accordance with sub-paragraph 3, be estimated at such value as can reasonably be expected from a normal and properly carried out liquidation. The goodwill accrued in the Consortium shall not be taken into account at such estimation.
5. In case a Party withdraws due to other circumstances than those referred to in sub-paragraph 4 above, the provisions in said sub-paragraph 4 shall apply with the exception that the estimated value of the assets of the Consortium may not exceed the net value of the assets specified in the last approved Annual Accounts of the Consortium. The ceiling provided in the last sentence shall not apply, however, to assets or liabilities the value of which is computed solely on the basis of current official quotations.
6. Should the Parties not agree whether a Party is obligated or entitled to withdraw from the Consortium in accordance with the provisions of this § 14, or should the Parties not agree on the value of the share of the net assets of the Consortium, which shall be received in accordance with sub-paragraphs 3 to 5 inclusive, by a withdrawing Party, or on what property shall be allocated in settlement of such a share, the question in dispute in this connection shall be settled by arbitration in accordance with § 16 below. When deciding the question whether a withdrawing Party shall receive his share in cash or kind, the arbitral tribunal shall, in this respect take into special consideration the justified interests of the other Parties.
7. If a Party withdraws from the Consortium in accordance with the provisions of this § 14, the remaining Parties shall be entitled to continue their co-operation under the unchanged name and insignia of Scandinavian Airlines System (SAS). The withdrawing Party may not directly or indirectly use the name or insignia of Scandinavian Airlines System (SAS) as long as this name is used by the remaining Parties or Party. Furthermore, the withdrawing Party shall be obligated to lend its co-operation to achieve that all the rights appertaining to the Consortium be transferred to the other Parties or to the Consortium, which then will consist only of the remaining Parties. The provisions in this Agreement shall thereafter be correspondingly applicable between the remaining Parties unless they otherwise agree, it being understood, however, that their shares in the Consortium stated in § 2, sub-paragraph 2, shall be increased in proportion to their previous shares therein.
8. If two of the Parties, in accordance with sub-paragraph 1, demand the third Party's withdrawal from the Consortium, and such withdrawal is due to only circumstances beyond the last mentioned Party's control, the third Party shall after its withdrawal from the Consortium be entitled to re-enter the Consortium at a later date when the circumstances which caused its withdrawal have ceased to prevail. In case the Parties cannot agree whether or not a Party is

entitled to re-enter in accordance with this provision or on the conditions for re-entry, such disputes shall be decided by arbitration in accordance with § 16.

9. Should circumstances which according to sub-paragraph 1, entitle two of the Parties to demand that the third Party shall withdraw from the Consortium become applicable to two of the Parties, the third Party may demand that the other two Parties shall withdraw from the Consortium. Relevant provisions of this § 14 shall be correspondingly applicable in this case.

§ 15

Liquidation

When the Consortium is liquidated for reasons other than those referred to in § 14, a final settlement between the Parties shall be made on the basis of their respective shares in the Consortium. In connection with the allocation of the assets to the Parties, each Party shall be entitled to receive from each kind or type of assets, property of a value corresponding with the proportions 3-2-2, unless the Parties agree on another allocation or approve that assets be sold for joint account. In connection with the liquidation a special agreement shall be made between the Parties with regard to the continued use of the name and insignia Scandinavian Airlines System (SAS), in various protected and unprotected forms, as well as regarding the taking over or liquidation of companies and other organizations which the Consortium controls. Failing such an agreement, the necessary decisions in this connection shall be made by arbitration in accordance with § 16.

§ 16

Arbitration

1. Any disputes regarding the interpretation or application of this Agreement may not be made the subject of law suit but shall be referred to arbitration for final and conclusive decision.
2. If the Parties cannot agree on the appointment of one or several arbitrators to decide the dispute, it shall be decided by an Arbitral Tribunal consisting of one arbitrator appointed by the President of Højesteret in Denmark, and one by the Justitiarius of Høyesterett in Norway and one by the President of Högsta Domstolen in Sweden.
3. The Arbitral Tribunal shall elect its own Chairman and settle its own rules of procedure, including the question of where the Tribunal shall sit, as well as which national legal rules shall apply. The Tribunal shall see to it that the award is given in such a form that it can be executed against the losing Party or Parties in accordance with its national law.

§ 17

Period of Validity

This Agreement shall continue and be binding on the Parties for a period up to and including September 30, ~~2020~~ 2040 unless it should cease pursuant to provisions of this Agreement. Not later than one year before expiration of the Agreement the Parties shall commence negotiations for continued co-operation.

This Agreement has been executed in three originals in the English language of which the Parties each received one. Each Party shall translate the Agreement to its own national language and such

translations shall be exchanged between the Parties, but in case of discrepancies in the national texts, the English shall prevail.

| This amended and restated Consortium Agreement dated as of ~~June 5, 2012~~March 13, 2019, has been signed in Arlanda, Sigtuna as follows:

SAS DANMARK A/S

SAS NORGE AS

SAS SVERIGE AB
