

## **Annual General Shareholders' Meeting of SAS AB (publ.) on 20 March 2013**

### **Agenda Item 14**

#### **The Board of Directors' proposed guidelines for remuneration of senior executives**

The Board of Directors proposes the following guidelines for the determination of salaries and other remuneration of senior executives, who comprise the CEO and other members of Group Management.

The basis of the proposal is that the total remuneration package should be competitive in the market and be relative to the employee's responsibilities and authority. Remuneration shall comprise fixed salary, other benefits and pension.

The proposed guidelines have not been changed from the remuneration principles adopted at the 2012 Annual General Meeting. Contracts signed prior to the adoption of these guidelines with some senior executives contain terms that partially depart from these guidelines, and such contracts will continue to apply until they expire or are renegotiated.

#### *Salaries and other benefits*

The total salary shall comprise a fixed annual base salary. The fixed salary shall reflect the demands of the position with respect to qualifications, responsibilities, complexity and the manner in which it serves to reach business objectives. The fixed salary shall also reflect the performance attained by the senior executive and thus be individual and differentiated.

Other benefits, such as a company car and health insurance, are to be market-based and comprise only a limited portion of the total remuneration.

#### *Pension*

Pension benefits shall be defined-contribution based and premiums shall not exceed 30 percent of fixed annual salary.

#### *Conditions regarding termination of employment*

The notice period for the CEO and other members of Group Management is six months if the employee resigns. A notice period of a maximum of 12 months applies if the company terminates employment. In the event of termination of employment by the company and, in certain specific cases, by the senior executive, severance pay shall be paid in an amount corresponding to a maximum of one year's fixed salary, with full deduction if the senior executive receives remuneration from a new position or assignment.

#### *Departures*

The Board of Directors may depart from these guidelines, if there are special reasons to do so in a specific case.

*Discussion and decision-making process*

Principles for remuneration to Group Management are prepared by the Remuneration Committee and are subsequently discussed by the Board of Directors, which presents a proposal for a decision by the Annual General Shareholders' Meeting. Remuneration for the CEO is determined by the Board within the framework of approved principles after holding discussions with and receiving recommendations from the Remuneration Committee. Remuneration for other senior executives is determined by the CEO within the framework of established principles and following discussions with the Remuneration Committee.