Commission appointed for review of SAS Board of Directors

At a Board meeting on August 8, 2001, the Board of Directors of SAS decided to assign an independent external commission to review the Board’s role in the SAS/Maersk affair.

Today, August 15, 2001, the SAS Board of Directors decided that this review will be conducted by the following three persons, in accordance with the enclosed assignment description/commissorium:

- Jørgen B. Elmer (Denmark), lawyer, born 1943.
- Gudmund Knudsen (Norway), lawyer, born 1946.
- Johan Munck (Sweden), Justice of the Supreme Court, born 1943.

These appointments have been made after nominations from the five major shareholders which jointly control 60 percent of the total number of shares and votes in SAS AB (the three government owners, the Wallenberg Foundations and Odin Fund Management). These shareholders have also presented the contents of the assignment description/Commissorium.

In a joint press release on August 13, 2001, the stock exchanges in Copenhagen, Oslo and Stockholm stated that they have no objections to the approach described above.

The assignment must be conducted urgently and should be completed, at the latest, 2-3 weeks after the review commission has convened. The review report will be made public.

For more information, please contact:
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THE BOARD OF DIRECTORS OF SAS
1. Scandinavian Airlines System Denmark-Norway-Sweden (hereinafter called SAS) is a consortium consisting of SAS Danmark A/S, Denmark, SAS Norge ASA, Norway, and SAS Sverige AB (publ), Sweden, the objects of which are to carry out commercial air traffic and any other business connected therewith.

The consortium agreement between the parties was amended most recently on 8 May 2001 and before that on 29 May 1997.

Until the summer of 2001 each of SAS Danmark A/S, SAS Norge ASA and SAS Sverige AB (publ) was an independent company, listed in its home country on the Copenhagen Stock Exchange, the Oslo Stock Exchange and the Stockholm Stock Exchange, respectively. A conversion of shares has taken place in the summer of 2001 with the effect that more than 90% of the shares of the three companies are now owned by SAS AB, Sweden, the shares of which are listed on the Copenhagen Stock Exchange, the Oslo Stock Exchange and the Stockholm Stock Exchange from where the shares of the three consortium partners have been delisted or are in the process of delisting.

The management structure of SAS is outlined in detail in the consortium agreement and, based on the consortium agreement of 29 May 1997, consisted of an assembly of representatives, a board of directors and a managing director. The scope of the rights and obligations of these bodies is outlined in the consortium agreement.

2. On 18 July 2001 the European Commission published its decision to impose a fine on SAS in the amount of EURO 39,375,000 and on Maersk Air A/S in the amount of EURO 13,125,000 for having established a secret market sharing agreement.

Having considered the decision of the European Commission and the grounds thereof, the board of directors of SAS has resolved to accept the fine. The matter has also brought about certain restructurings within the SAS organisation.

In light of the course of events the board of directors has resolved to request outside, independent investigators to assess the role of the board of directors in relation to the co-operation with Maersk Air held illegal by the Commission along the following guidelines:

a. Scrutiny of whether the SAS board of directors and the members at any time sitting on the board of directors in the period from January 1998 and until August 2001 within the scope of such rights and obligations of the board of directors as may be assumed to apply to a company such as SAS have fulfilled their obligations, or whether grounds exist for individual or collective criticism and in such event the severity of such criticism.
Particular emphasis should be given to:

- whether the board of directors and its individual members received timely, relevant and sufficient information on the elements of the SAS/Maersk co-operation agreement;
- whether the board of directors and its individual members individually based on the information received in a relevant manner sought to gain knowledge of the detailed content of the SAS/Maersk co-operation agreement; and
- whether the board of directors and its individual members acted appropriately in relation to the information the particular individual(s) had or ought to have obtained concerning the SAS/Maersk co-operation.

b. The investigation board will be given unrestricted access to all documents either originals or copies, including minutes of board meetings, memoranda, letters, etc., which the investigation board requests disclosed, and access to request information from existing or former employees and board members of SAS as the board of directors hereby relieves such persons from their duty of secrecy towards the investigation board and directs them to disclose any information requested by the investigation board.

c. The investigation board shall at its own discretion and as it finds appropriate arrange its reply hereto. The investigation board shall be organised as it finds appropriate. If not agreed otherwise, the first meeting of the investigation board shall be convened by the eldest of the investigators.

d. The investigation board shall submit a written report of its findings to the board of directors of SAS. The report will be published.

e. It is submitted that the scrutiny be completed speedily and that the report be concluded at the latest 2-3 weeks after the investigation board has commenced its scrutiny.