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**Nasdaq STOCKHOLM'S**

**DECISION**

**23 September 2022**

**DISCIPLINARY COMMITTEE**

**2022:06**

Nasdaq Stockholm

SAS AB (publ)

## **DECISION**

The Disciplinary Committee orders SAS AB (publ) to pay Nasdaq Stockholm a fine corresponding to three times the annual fee.

## **Motion**

The shares in SAS AB (publ) ("SAS" or the "Company") are admitted to trading on Nasdaq Stockholm (the "Exchange"). SAS has signed an undertaking to comply with the Exchange's rules for issuers applicable at the relevant time (the "Rule Book").

The Exchange has alleged that SAS violated section 3.1.1 of the Rule Book through the Company's CEO having provided inside information to the media before the Company disclosed the same information through a press release. With reference to section 33 in Supplement D of the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the alleged violations of the Rule Book and impose an appropriate sanction.

SAS has stipulated to the facts in the case.

Neither of the parties has requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

## **Reasons for the decision**

### The Rule Book

Pursuant to section 3.1.1 of the Rule Book, an issuer shall disclose inside information in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“MAR”).

Pursuant to Article 17 of the MAR, the issuer shall inform the public as soon as possible of inside information which directly concerns that issuer.

Pursuant to Article 2.1 of Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 (the “Implementing Regulation”), the issuer shall disclose inside information using technical means that ensure that the information is disseminated to as wide a public as possible on a non-discriminatory basis.

### Considerations

On 2 July 2022, SAS published a press release containing information that the strike previously announced by the SAS Scandinavia Pilots’ Unions is to be postponed until 4 July 2022. On 4 July 2022 at 12:22 PM Nyhetsbyrå Direkt published a news item headlined “SAS: The strike goes ahead, very bad news - CEO”. The news had a negative impact on the Company’s share price, which fell by just over sixteen per cent immediately after the publication. The same day, an updated version of the above-stated news item was published at 12:25 PM in which it was now possible to read that the Company's CEO had stated to the media that the strike would be going ahead. Some minutes later, at 12:30 PM, the Company published a press release with information that members of SAS Scandinavia Pilots' Unions had been called to strike. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to the MAR.

*The Exchange has argued:* It is undisputed in the matter that the Company’s CEO provided inside information to the media regarding the decided pilot's strike before the Company disclosed the same information through a press release. This inside information was thus made available in a discriminatory manner in violation of Article 17 of the MAR and Article 2.1 of the Implementing Regulation. The Company thus also violated section 3.1.1 of the Rule Book.

*SAS has argued:* Negotiations were held with SAS Pilots' Unions regarding the new collective bargaining agreement during the Spring of 2022. On 27 June 2022, SAS disclosed that mediation was ongoing and that in the event the parties did not come to any agreement before 29 June 2022 the Pilots' Unions would begin its previously announced strike. On 2 July, SAS disclosed that the announced strike would be postponed until 12:01 PM on 4 July. During this period there were ongoing, intensive negotiations for the purpose of avoiding a strike. SAS prepared alternative press releases for different scenarios depending upon the outcome of the negotiations. During the period 29 June – 4 July, SAS had preparations in place to disclose information as soon as there was any decision regarding the results of the negotiations, regardless of the time of day.

On 4 July, a decision from the negotiating parties was expected by 12 noon at the latest regarding any agreement or, alternatively, that the announced strike would proceed. Media coverage was intense, and SAS was under enormous pressure to provide a statement to different journalists monitoring the situation outside the place of the negotiations. Just after 12:15 PM on 4 July, the Company's CEO notified persons concerned within the Company that

the negotiations concluded without results and that the announced strike would proceed. The CEO then gave the go-ahead for the publication of the press release that had been prepared earlier. SAS put the final details in the press release and began publication thereof in accordance with the customary routines via Cision. The preparation of the final version of the press release, in different language versions, and the actual publication took approximately 10 minutes. During this period the CEO left the place of the negotiations. The media was waiting outside, and the CEO gave a short statement to the media at approximately 12:20 PM. Some minutes later, at 12:30 PM, the press release was published. The Company considers the fact that the CEO provided a statement to the media a few minutes before the press release to be very unfortunate. Since then, SAS has evaluated its procedures and has found that there is a need to improve co-ordination and the internal communication in connection with this type of disclosure. SAS has now ensured that the Company has clear internal communications which involve not only that the communications team will receive the all-clear for the publication of a press release, but also that the communications team must confirm to the spokesperson in question as soon as a press release is published via Cision. The Company believes that the measures taken mean that, going forward, the Company can ensure that the spokesperson does not provide a statement before the relevant information is disclosed through a press release.

*The Disciplinary Committee observes that it is undisputed that the information that the pilots' strike would commence constituted insider information, and that the Company's CEO provided this information in a comment to the media before the information, although shortly thereafter, was published via a press release. The inside information was thus not disclosed in a non-discriminatory manner in accordance with Article 2.1 of the Implementing Regulation. The Company thereby violated section 3.1.1 of the Rule Book.*

The Disciplinary Committee further observes that the Company, from all appearances, was well prepared to deal with the disclosure of the inside information in question. However, the Disciplinary Committee sees the fact that the Company's CEO made a statement in the media regarding inside information without first ensuring that the information had been disclosed in the proper manner, as a serious violation of the Rule Book, and therefore a fine must be imposed. Furthermore, the fact that the violation, according to the Company's own information, is due to SAS' failure to have routines that ensure that the spokesperson does not provide a statement in the media before inside information is disclosed in the right manner makes the violation even more serious. In light of the foregoing, the Disciplinary Committee orders SAS to pay to the Exchange a fine equivalent to three times the annual fee.

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On behalf of the Disciplinary Committee,

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is written over a light blue grid background.

Marianne Lundius

Former Justice Marianne Lundius, justice Johan Danelius, former authorised public accountant Svante Forsberg, company director Carl Johan Högbom, and company director Anders Oscarsson participated in the Committee's decision.

Secretary: Professor Erik Lindman